

291091

JPRS 81692

2 September 1982

Near East/North Africa Report

No. 2614

19980917
100

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

4
123
A06

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

2 September 1982

NEAR EAST/NORTH AFRICA REPORT

No. 2614

CONTENTS

INTER-ARAB AFFAIRS

Financial Assistance to Asia, Africa Discussed (AL-SIYASAH, 13 Jun 82)	1
Shipping Seen as Key to Economic Integration (ARABIA, Aug 82)	3
Education Given High Priority in Palestinian Camps (Charles Vial; LE MONDE, various dates)	5
Youth Expert Comments on Alienation, Islamic Values (Kamal Abu Majd Interview; ARABIA, Aug 82)	14

AFGHANISTAN

Chinese Involvement Foreseen in Case of Long War (B. Expedit; LES NOUVELLES D'AFGHANISTAN, Jul-Sep 82) ...	16
Traditional Products Being Promoted for Export (KABUL NEW TIMES, various dates)	21
White Wool for Carpets, by Sayed Murtaza Quality Pistachio Nuts, by A. W. Adel Raisins for World Market, by Hadi Rashidi	
Production Increased in Various Enterprises (KABUL NEW TIMES, various dates)	26
Metalworking Factory More Electricity Helmand Company Builds Canals Prospecting for Various Minerals Milk Supply Up	

People Called on To Build Nation (Editorial; KABUL NEW TIMES, 29 Jul 82)	33
Military Manpower To Be Reinforced (KABUL NEW TIMES, 3 Aug 82)	35
Closer Work Between Youth, Police Urged (Faruq; KABUL NEW TIMES, 2 Aug 82)	37
ALGERIA	
Algeria-France Economic Cooperation Examined (AL-MUSTAQBAL, 3 Jul 82)	38
New Exchange Controls on Expatriates Justified, Criticized (Y. Aggoun; EL MOUDJAHID, 5 Aug 82)	41
EGYPT	
Gulf Investors Express Views on Investment Climate, Procedures (Fatin 'Abd al-Razzaq, et al.; AL-AKHBAR, 16 Jun 82)	46
IRAN	
Israel Said Trading PLO Arms for Iranian Oil (AN-NAHAR ARAB REPORT & MEMO, 9 Aug 82)	51
Spokesman Denounces Baghdad on Nonaligned Conference (SOBH-E AZADEGAN, 7 Aug 82)	53
IRAQ	
National Assembly Accomplishments Praised (Yahya Kazim al-Najjar; AL-THAWRAH, 21 Jun 82)	54
Interview With Taha Yassin Ramadhan (BAGHDAD OBSERVER, 1 Aug 82)	57
Ramadhan Takes Part in Discussions on Agriculture (BAGHDAD OBSERVER, 14 Aug 82)	64
Industrial Bank Activity Up Over Previous Year (Sami Hasan; AL-JUMHURIYAH, 19 Jun 82)	65
Funds for Projects Increased (BAGHDAD OBSERVER, 17 Aug 82)	67
Aid for Al-Basrah's Agriculture Industry (BAGHDAD OBSERVER, 14 Aug 82)	68
Autonomous Region Project Completions (AL-THAWRAH, 13 Jun 82)	69

Ambitious Road Projects Underway (ARAB OIL, Aug 82)	71
Steps Taken To Enforce Compulsory Education (Shura Muhammad Shabib; AL-JUMHURIYAH, 17 Jun 82)	73
Welfare Services, Per Capita Income Considered (Clela Koshaba; BAGHDAD OBSERVER, 8 Aug 82)	75
Role of Working Women Cited (Faryal Jasim; AL-THAWRAH, 11 Jun 82)	77
ISRAEL	
National Economy Said To Be in Trouble (Avraham Tal; HA'ARETZ, 13 Jul 82)	79
Duty Freeze on Subsidized Imports Considered (Haim Bi'ur; DAVAR, 6 Jul 82)	82
Briefs	
War Loss of GNP	84
Exports to Egypt	84
KUWAIT	
Finance Committee Chairman Reviews Details of Next Budget ('Abdallah al-Qaq; AL-RA'Y, 12 Jun 82)	85
Loans to Mauritania, Senegal Reported (AL-QABAS, 14 Jun 82)	89
Government Workers' Salaries Increased (AL-QABAS, 11 Jun 82)	91
Factors, Controls for Stabilizing Prices Discussed (AL-QABAS, 11 Jun 82)	95
MOROCCO	
New Political Party Analyzed (Talhah Jibril; AL-SHARQ AL-AWSAT, 5 Jul 82)	98
QATAR	
Exchange House Problems Reported (DAILY GULF TIMES, various dates)	102
Failure Claimed, by K. N. Sharma Denied as Rumor	

Local Container Services (DAILY GULF TIMES, 4 Aug 82)	104
Sports, Recreation Complex Described (DAILY GULF TIMES, 5 Aug 82)	105
SYRIA	
Effectiveness of Commodity Controls Examined (Sa'd al-Qasim; AL-THAWRAH, 19 Jun 82)	106
UNITED ARAB EMIRATES	
Housing Construction Expenditure Figures Reported (AL-BAYAN, 21 Jun 82)	110
Dubayy To Host Arab Health Exhibition (KHALEEJ TIMES, 9 Aug 82)	112
Adco Oil Islands Described (KHALEEJ TIMES, 9 Aug 82)	113
Briefs	
Umm al-Qaywayn Fishery	114
Imported Vehicles	114
Road Projects	114
Common Gulf Currency	115
Oil, Natural Gas Reserves Up	115
Northern Emirates Electricity Output	116

FINANCIAL ASSISTANCE TO ASIA, AFRICA DISCUSSED

Kuwait AL-SIYASAH in Arabic 13 Jun 82 p 7

[Text] Seven financial organizations for Arab national and regional development authorized 61 financing operations during the first quarter of this year. Some 34 developing countries in Asia, Africa, and Latin America benefited from these operations, which totaled \$764 million in value.

These seven organizations were the Kuwaiti Fund, the Islamic Development Bank, the Bank of Abu Dhabi for Arab Economic Development, the OAPEC Fund for the International Development, the Saudi Development Fund, the Iraqi Fund for Foreign Development, and the Arab Fund for Economic Development.

At the headquarters of the Arab Fund for Economic and Social Development, a spokesman for the coordinating secretariat of the Arab national and regional development councils said yesterday that these organizations made 37 loans worth \$590 million to assist in the financing of projects in the fields of wire and wireless communications, roads, ports, airports, electric power, water, agriculture, and industry. He said that the organizations had signed 10 agreements worth \$143 million to fund import and leasing operations and provide capital for various projects. The spokesman added that the organizations also offered 14 technical grants worth a total of \$30 million aimed at funding certain special operations.

The spokesman stated that the Kuwaiti fund provided the largest share of the funds provided by the seven financial institutions. The funds approved by the Kuwaiti Fund for allocation in the first quarter of the year totaled around \$202 million distributed among 13 states. This represents 26.5 percent of the total funding operations of the seven financial institutions.

The spokesman stated that the share going to infrastructural sectors amounted to \$317.75 million distributed among 23 operations. This represents 41.6 percent of all operations. The share going to production sectors amounted to \$325.9 million among 18 operations, representing 42.7 percent of all operations.

He said that the share of the funds going to operations aimed at balance-of-payments support and funding of foreign trade totaled \$108.26 million in eight separate operations, representing 14.2 percent. The share of the

remaining operations was \$11.89 million distributed among 11 operations, representing 1.5 percent of the total value of the funding operations.

According to the spokesman, the geographical distribution of the operations approved during the first quarter of the year reveals that the Arab countries received \$330.32 million for a 43.3 percent share, the Asian countries received \$813.82 million for a share of 38 percent, the African countries received \$199.60 million for a share of 26.1 percent, and other organizations received \$20.06 million for a share of 2.6 percent.

A report issued by the coordinating secretariat yesterday indicated that North Yemen obtained the largest share of the funds among a total of 10 Arab states. The Arab financial organizations allocated North Yemen a total of around \$56.62 million or 7.4 percent of the total value of the funding operations.

It also revealed that Bangladesh was the Asian country that received the largest share of the funds among 17 Asian states. This amounted to \$141.2 million or 18.5 percent of the value of the funding operations of the seven institutions.

Among the 24 African states, Niger benefited most from the funds offered by the financial institutions. It received \$39.6 million or 5.2 percent of the total value of the value of the financing operations.

First Islamic Bank in Malaysia

Malaysian Prime Minister Sirri Mahathir bin Mohamad, said that his government hopes to enact legislation giving it the power to establish the first Islamic bank in the country sometime after this year.

After opening a meeting of a regional Islamic committee here, the prime minister informed newsmen that one of the committees actively studying the establishment of the bank has prepared a draft law relating to this matter.

He said that the bank would not interfere with the existing banking system of Malaysia but he did not give any details concerning how the bank would conduct its operations.

8591
CSO: 4404/544

SHIPPING SEEN AS KEY TO ECONOMIC INTEGRATION

London ARABIA in English No 12, Aug 82 p 41

[Text]

In January 1978 at the *Seatrade* Conference on Arab Shipping, Adib al Jadir, director of UNCTAD's shipping division, presented a strong case for a pan-Arab maritime policy. "Transport is a prerequisite of economic integration," he declared. The manpower and financial resources of Arab countries should be pooled, he said, to provide an adequate maritime industry necessary for income creation, to improve the balance of payments, reduce economic dependence, to diversify employment and improve economic integration.

At the same conference, Chandrika Prasad Strivastava, secretary-general of the Inter-governmental Maritime Consultative Organisation, underlined the importance of shipping, which carries more than 75 per cent of all cargo by weight and over 65 per cent by value. Although the Arab contribution to world trade was around 30 per cent, the Arab share of the world fleet was a mere 1.79 per cent, having increased from 2m gross registered tons in 1974 to 7m grt in 1977. "What is needed is a readjustment of the maritime order – but with cooperation, so as not to hurt anybody too much," he said.

Four years later, at the 3rd Arab Ports Conference held in Riyadh at the end of May, precisely the same sentiments were expressed. This time, however, they had the backing of Dr Fayed Badr, president and chairman of the Saudi Ports Authority (SPA). Saudi Arabia is already carrying out the readjustment urged by Strivastava. (According to *Seatrade*, the Saudis, with their share in the United Arab Shipping Company (UASC) and their National Shipping Company, carry 16 per cent of seaborne trade. According to Dr

Badr they carry a mere 10 per cent, including oil.)

The Saudi National Shipping Company has four of the world's largest roll-on, roll-off vessels on order and is already operating two former Seaspeed giants. Company capital is being increased to SR2bn (\$580m) and plans to open a new Middle East line are under discussion. UASC's latest contract, the largest in the history of shipbuilding, is for nine more vessels and 15,000 containers. Saudi Arabia is one of the six shareholders.

The Saudis are in a position not only to dictate policy, but also to attack western opportunism. Dr Badr called for a new era of self-help – with no return to dependence on the West. He welcomes the involvement of foreign companies who "were willing to work themselves out of a job by training our people," and urged those wishing to trade with his country to use Arab vessels where possible. Forwarders complaining about his new container legislation were accused of egotism and "wanting to have their cake and eat it." Computer firms were seen as encouraging the use of larger numbers of computer personnel in their refusal to offer a fully integrated system of automated containerisation.

But although the West might resent the Saudi attacks on their self-interested attitude, they could not but applaud Dr Badr's responsible and determined approach to matters of universal importance in the maritime world – pollution, safety at sea, and maritime fraud. A pollution centre to combat marine pollution is already under construction by the SPA at Dammam. To encourage safety at sea, the SPA not only imposes heavy fines on

sub-standard vessels in Saudi ports, but also forbids them to sail.

Flags of convenience are also seen as a risk. "I propose that serious consideration should be given to the idea that flag of convenience operators should deposit multi-million dollar good behaviour bonds to ensure that funds are available to meet seamen's back pay or the costs of oil clean-up operations," said Dr Badr. Although there was no panacea for maritime fraud, he went on, Arab ports should urgently introduce a regional fraud prevention and investigation agency to reinforce the bold but limited private sector initiatives.

But what of the call for "dedicated cooperation and coordination"? How far is a pan-Arab maritime policy realisable? Dr Ibrahim Makki, director-general of the port authority in Kuwait, talked of an integrated transport policy where major Gulf ports would trans-ship at minor ports on to feeder vessels, thus obviating the need for further expensive equipment and development. He also quoted a Gulf Cooperation Council resolution urging concerned authorities of GCC states to support national shipping companies, including UASC, in their activities by giving them priority and transport facilities whenever possible.

Abdulaziz al Fayed, of the GCC's department of economic affairs, called for Gulf cooperation in all maritime affairs. "All ports should par-

ticipate in regional and national organisation," he said, "and should put forward one point of view." The Tunisian minister of transport, Sadok ben Jamaa, called for a unified body for planning and coordination. Although the geographic distribution of Arab countries and the divergence of their political and economic systems made this difficult, the sea would be the linking point.

In spite of these worthy sentiments, pan-Arab cooperation is difficult. With Saudi Arabia's growing need for a larger bloc to fight outside forces, a GCC agreement may be more likely to stick, but poorer countries such as Tunisia have a long way to go. Dr Badr recently visited Tunisian ports with the aim of recruiting skilled labour, and Tunis will host the next Arab Ports Conference; but what backing will be given to the "inseparable inter-relationship" to which Dr Badr referred, and how can these less affluent countries pursue the concept of "self-help"?

Where Saudi shipping has made a phenomenal 89.5 per cent growth during 1981, the average growth rate of the Arab merchant fleet was only 22.4 per cent. With their stake in UASC the Gulf countries are in a relatively strong position. But what of the remaining 14 Arab League countries? No doubt the same questions will arise at the next Arab Ports Conference.

CSO: 4400/428

EDUCATION GIVEN HIGH PRIORITY IN PALESTINIAN CAMPS

Paris LE MONDE in French 9, 10 Jul 82

[9 Jul 82 p 5]

[Article by Charles Vial: "Palestinian Schools in Jordan"]

[Text] I. Education Is Our Army

The fighting in southern Lebanon has driven the entire population of towns and villages from their homes. Olof Rydbeck, chief administrator of the United Nations Relief and Works Agency in the Near East (UNRWA), has stated that 175,000 Palestinians who were already refugees, and children and grandchildren of refugees, have had to leave their homes again. In order to assure them supply of food and basic living necessities, UNRWA, which has been helping the Palestinian refugees for 30 years, needs \$39 million in additional funds. These difficulties will further add to the chronic deficit of the agency, whose existence is threatened anew every year.

In the recent fighting, more than half the UNRWA installations in southern Lebanon have been destroyed. These included, in particular, 37 primary schools. Education is, indeed, one of UNRWA's priorities. Of its 630 primary schools, 204 are located in camps in Jordan and handle more than 130,000 children.

Amman--Two huge white parabolas, like seashells rolled onto a moonscape. The two giant ears of the space telecommunications center stretching to pick up the heartbeats of the world. Panoramic view. A little to the east, in the basin, there are 300 hectares of galvanized iron, cubes divided into a grid by lines of alleys. It is Baqa'a camp, 20 km northeast of Amman, the largest refugee camp in the Near East. It "shelters"--when it isn't raining too hard--60,000 Palestinians.

Behind a low, gray wall, there is an open space, more precisely a schoolyard. There, 570 grinning boys are doing gymnastics at the commands of an instructor, a refugee like themselves. It is 1130 hours. The school is starting on its second shift of students. For lack of room, the students come in two daily sessions, the first in the morning and the second following. Exercises over, classes begin. There are 35, 40, or even 45 sometimes, under one roof hardly thicker than a eucalyptus leaf. Boiling in the summer, freezing in the winter.

This school is one of 24 in Baqa'a camp, and one of the 204 that UNRWA has founded and keeps alive in Jordan, but came within a hair of closing at the end of the school year.

It turned out to be just another scare, though a very serious one. For the second consecutive year the dismissal letters to 5,000 teachers--also Palestinian refugees--had been signed by the chief administrator in Vienna and sent to Amman.

We should point out that ever since its establishment UNRWA has had a fragile constitution. Established on 8 December 1949 to help the exodus of the refugees, it was promised only a brief existence. The international community at that time believed, or pretended to believe, that there would be an early solution to the Palestinian problem. The refugees themselves had hopes of soon returning to their land. History decided otherwise. For 34 years now, peace has never managed to prevail between the four Israeli-Arab conflicts which have been the sequel to the violent birth of the Hebrew state in 1948. Peace: even saying the word seems a mockery today.

Thus, while they wait, the young Palestinians learn. Peter Salah, spokesman of the Jordanian Ministry of Information, said: "Experience has proved that instruction has enabled the Palestinians to survive. One can destroy their houses, steal their money, and annex their land, but what a man knows, what is in his heart and his head, remains forever." When you talk to the students about their determination, the answer is always the same, whether it is at the Baqa'a camp or the Suf camp further north, or the Jerash camp where there are 14,514 refugees, almost all from Gaza, or at the Jordanian university.

At the Wadi-Sur vocational training center, 20-year old Mussa summed up in a phrase what consumes them all. Born near Amman of parents who had left Jaffa in 1948, he received his primary education in 9 years at the Jabal-Hussayin camp; today he is preparing to become a construction technician. "I am studying to regain my freedom. Education is our army so that we can return home." Mona, a young girl of 19 who is studying industrial design, said the same thing in different words: "My Palestinian people need qualified individuals."

In the workshop, among drills and milling machines, lathes and shapers, made in England, Sweden, or Germany, the director of the center, Yunis Suqi, born on the Jordan West Bank, himself a refugee in 1967, trained in Turin and the United Kingdom, gives a formal answer: "No student stops his training during the 2-year period. No one gets discouraged."

For they recognize what they themselves call their "good fortune," a term which might be objectionable were it not their own. These students were chosen; only one out of 10 applicants selected. Mr Suqi assured us: "Employers come here to find personnel." The 827 students "will find jobs, and then each will be able to support an entire family," here in Jordan, or in the Gulf countries, although immigration there is becoming more and more difficult.* However, according to Peter Salah, 400,000 Jordanians, most of

* See the three articles by Eric Rouleau: "The Palestinian Diaspora in the Gulf" (LE MONDE 15, 16, and 17 June).

them Palestinians, sent back 1.5 billion American dollars to the Hashemite kingdom in 1980.

Demographic Vitality

UNRWA, which since 1950 has provided 22,000 qualified personnel, maintains seven professional training centers: two in Jordan, and the others on the West Bank, and in Lebanon, Syria, and Gaza. More are needed. Equipment is getting old, and funds are lacking.

Funds are also lacking for primary schools. UNRWA accepts refugee children for the compulsory school period, from 6 years old to 15. Those who, on the basis of their grades, qualify for secondary level must spend 3 years in one of the public schools, called "governmental," or in a private institution. The average age at which students enter primary level at UNRWA schools is 5 years 8 months; 98 percent of the children of refugees go to school.

Lack of facilities imposes the two "shifts," two successive "sessions" every day. The groups trade off every month: The morning group switches to midday, and vice versa. The Jordanian Government also uses this system in its own schools, but is trying to phase it out gradually. The UNRWA schools are not yet at that point. First, because it would be expensive: UNRWA officials estimate it would take \$20 million to provide the facilities which would enable abandonment of the alternating system.

Also, that would only be enough to meet the present demand, which is increasing. Mrs In'am Mufti, Jordanian minister of social development and former head of the UNRWA Vocational training center in Ramallah, stresses that "the other generations are honored to have their daughters going to school." In fact, 46 percent of university students are women.

Add a final factor, which has a significant effect on the school situation, not to mention its considerable effect on the political future: demographic vitality. Ibrahim Maslamani, head of the UNRWA education department for Jordan, noted that "the Palestinians' birthrate is one of the highest in the world. Result: We are currently trying to avoid being forced into three sessions a day in our schools."

Ingenuity and enthusiasm make up for lack of resources. In the teachers room of a school in Baqa'a, Muhammad Hasan Abu [as published] points out the collection of hanging baskets, near the back wall. Hasan Abu arrived in Baqa'a in 1967. He was 15 years old. He had fled from Ramallah, where his parents had taken refuge in 1948. He studied in UNRWA schools, earned his high school diploma from a government school, took courses at the UNRWA teacher's college in Amman, and then obtained a degree in Arabic and a diploma in documentary library science at the University of Jordan. He lives in the camp, and has taught there for 10 years.

The wall decorations are basically geographical maps, all "made by hand," by the teachers.

That is how it is. Do it yourself, but while continuing to seek the help of the international community: dignity and appealing for help are constantly contending. Another example in Baqa'a is the family of 13 whose history is like that of all the camp refugees: Its landmarks are the Israeli-Arab conflicts. The parents were born in Jaffa, which they left in 1948 for a camp near Jericho where the children were born, and from which the family fled in 1967. Their only source of income is the father's occupation. A cart vendor, he goes out every morning pushing his small cart with cakes through the streets of the camp. On good days he makes two and a half dinars, Fr 45. More often, hardly 2 dinars, Fr 36.

What else can one do but accept the new maintenance food rations distributed by UNRWA: six times a month 10 kg of flour, 500 grams of rice, 375 grams of oil, and 600 grams of sugar? Nevertheless, as they emphasize quietly: "What we really want is not charity, but the chance to return to our own country."

The Palestinian leaders will agree: The continuance of the refugee camps and the survival of the UNRWA schools are to them more a political issue than a social necessity. As long as the camps exist, the assimilation of the Palestinians into the population of the host country will remain incomplete. Their identity is thereby preserved. As for the international aid to the refugees, they regard it as simple justice. Salah al-Dasuqi, a medical student in Amman, put it bluntly: "I receive grants from the UNRWA; this is not a reward but a right." The mukhtars, the elders in the camp, after expressing to a French visitor their condemnation and regret regarding Mitterrand's visit to Israel, took the occasion to remind him that since it was the international community which created the Palestinian problem by agreeing to establishment of the "Zionist state," it is up to that community to settle it, and for the present, at the very least, to bear the consequences... UNRWA: Second Largest Employer in the Middle East

So that they could survive, find shelter, feed themselves, ward off sickness, and educate themselves: It was to help the Palestinian refugees fulfill these basic needs that UNRWA was established on 8 December 1949 by the UN General Assembly.

UNRWA, which began operation on 1 May 1950, took urgent measures to provide food, medicine, and shelter, and to establish work programs which would provide jobs. As the hope for return of the refugees to their land faded, UNRWA's mandate was extended 3 years at a time--the latest renewal was on 1 July 1981--and education became the priority objective.

--The agency currently operates in five countries or areas: Lebanon, the Gaza Strip, Syria, the West Bank of the Jordan (Cisjordan), and Jordan. In 30 years the number of registered refugees has doubled. In 1981 the total had reached 1,884,896, of whom 709,304, or almost half, were under 20 years old. More than one-third (35.18 percent) lived in the 61 camps. Jordan alone had six camps and was host to 720,000 refugees.

--UNRWA is considered to be the second largest employer in the Near East (not including governments). It employs a limited number of international officials, 120, and 17,053 employees recruited locally, most of them Palestinians.

--Its 1982 budget reached \$265.6 million. The sources are mainly voluntary contributions by countries, a factor which imposes considerable instability. Last year, the major donor was the United States (\$62 million), followed by the EEC (nearly \$38 million), Japan, the United Kingdom, Sweden, Saudi Arabia, Canada, the FRG, Libya, and Switzerland. A few months ago, UNRWA again found itself in a critical situation, short by \$20 million.

Closing of the schools in Jordan and Syria--countries which appeared capable of assuming the burden but refused--was anticipated. However, extra gifts, including \$5 million from Saudi Arabia, \$1.5 million from Kuwait, and \$800,000 from Norway made it possible to avoid both closings and layoffs.

--In 1982, expenditures for education totaled almost 57 percent of the overall budget, compared to 16 percent for health services, and 23 percent for assistance. UNRWA's 635 schools have an enrollment of 321,224 pupils and employ 9,674 teachers. In addition, there are 5,000 students in the eight vocational and teachers training centers.

--In Jordan, UNRWA has 204 schools with 130,174 pupils and 3,700 teachers. An additional 28,000 refugee children attend "governmental" or private schools.

[10 Jul 82 p 4]

[Text] II. The Memories of the Young Refugees in Palestinian Schools in Jordan.

The five conflicts between Israel and the Arab nations which have occurred since the birth of Israel have caused the people to flee from their land. In order to alleviate their conditions of life, the United Nations established a "provisional" body in 1949. It still exists. It is the United Nations Relief and Works Agency for Palestine Refugees (UNRWA). Its activities are carried out in five areas or territories: Jordan, West Bank, Lebanon, Gaza Strip and Syria. Increasingly it has given priority to education and the vocational training of young people (LE MONDE, 9 July).

Amman--The five little girls clapped their hands. With white bows in their hair, dressed in light blue dresses and dark blue ties, they were all in the uniform worn by schoolgirls in Jordan, whether they attend an UNRWA or a government school. For girls 6 to 12, the uniform is blue, and for those 12 to 15, green. "The uniform is good," says a schoolmistress. "It prevents competition in dress."

On the stage there is a marionette scene. Two students are manipulating puppets made with the aid of the teacher, Miss Majwa, who comes from Hebron, for which they supply the voices. "Did they occupy our country? Who? The Zionists. Where are your father and your brother? They were soldiers. They are dead. They are martyrs. The Zionists occupy Jerusalem, but we will

return to our country. This is necessary for our Palestinian people. And Jerusalem will become Arab forever." The show is triumph. This school in al-Ashrafiyah, in Amman, operates on a double shift, due to the shortage of premises. There are 22 classes and 918 students, all the daughters of refugees, with the exception of a single Algerian. The majority of their families left Haifa, Lod or Jaffa in 1948 during the first Israeli-Arab war. Some of them went to the East Bank of the Jordan river, in Jordan. Others settled on the West Bank, in Ramallah, Nablus or Hebron, from which they had to flee in 1967. Both children and adults, when asked "where do you come from?" always reply with the name of the town or village where their parents were born. The answer is never "from Amman."

The Role of the School Texts

Memories of the land, blood and suffering. You find them still, equally vivid, in this girls' school at the Suf camp, 50 km north of Amman. There the students in the English club have made calendars for the year 1982. Each month bears the name of a village, described by a student in a few characteristics derived from tales told in the family. For example: "Nasir-ed-Din, a village in the district of Tabaria (near Lake Tiberius). Four hundred inhabitants. The Jewish invaders massacred all the people on 13 and 14 April 1958, and the village was wiped off the map." Or again, "Deir Yassin. About 3,000 inhabitants, in the Jerusalem district. On 10 April 1948 the Jews committed horrible carnage, of which 250 children, pregnant women and old people were the victims."

Are these memories maintained and fanned by the UNRWA schools? "This is a delicate question," admits Husni Feridon, director of the education department at the organization's headquarters in Vienna, Austria. "We have been accused of favoring subversion. What is certain is that we do nothing to prevent the development of a Palestinian identity." Mr Feridon hastens to add that "this identity is but the fruit of the parents' efforts." And that of the teachers as well, without a doubt, because they often live in the camps. Now, the camps, while they enable the local authorities to "control" the refugees better, nonetheless serve to strengthen their cohesion. It is true that political meetings there are strictly prohibited since the famous "black September."¹ But who can now know what these four idle men, with their white flowing robes and their multicolored headdresses are saying as they stroll along this street in the Suf camp whispering? It is precisely in Suf that the director of the large school told us: "Like my students, I am a refugee. Thus I live here, with the people in my community."

Thus in order to assess the importance of the UNRWA to the increasing strength and vigor of the Palestinian identity, several things must be considered. For example, the role played by the school texts. There are no works which are Palestinian as such. The UNRWA schools employ the books in use in the countries where they are located. Moreover, the organization makes it a rule to base the organization of its school system as precisely as possible on the educational structure in the host country. "This is an absolute necessity," Mr Feridon says, "if we want the students to be able to shift from one system to another without a break." Mr Alan Brown, deputy general UNRWA commissioner, says: "The only difference between our schools and those of the local governments is the financing."

Since 1969, all of the school texts newly ordered or amended by the ministry of education in the host country have had to be submitted for the approval of the director general of UNESCO before being ordered for the UNRWA schools. This precaution is based on a desire to eliminate any incitement to hatred. In the occupied territories, on the West Bank, where the texts are Jordanian, and in the Gaza Strip, where they are Egyptian, special authorization from the Israeli authorities is also required. It was refused last year for 13 books for the West Bank and 10 others for the Gaza Strip. It also happens, Mr Feridon says, that the Israelis delete certain passages, for example a historical reference or a statement by an Arab leader, and republish the text without the offending passage. "The UNRWA then refuses to use them."

UNESCO approval is not automatic. In 1980-1981, one text out of eight published by the Jordanian government was rejected.

There is at least one case in which Palestinian identity is hardly an issue. At the Waadi Sir vocational center, a Pitman method manual is used for stenographic practice. "It is the same book they use in London!" a teacher boasts, not without pride.

Cultural imports have carved themselves a place in craftwork. Thus, in the very heart of the lower city of Amman, all around the al-Husayn mosque, the shops shamelessly display shelves of metal and plastic trinkets made in Hong Kong or Taiwan, just as at the school bazaars, those charity sales to help needy students, one is often offered macrame or knitted items which would not be tolerated at a charity exhibit on the old continent.

There are, however, luxurious exceptions. At the al-Ashrafiyah school, they sell superb "thawbs," those marvelous, luminously embroidered Palestinian peasant dresses. "The mothers teach their daughters the art of embroidery, beginning at the age of 10," Mrs Diana Dewik, the assistant director, explains.

But it is above all in the culinary art that Palestinian traditions flourish. With the help of the teachers, the girls prepare "meftoul chouch barak," couscous made of pastry shells stuffed with ground meat, onions and pine nuts, cooked with yogurt, or "djavada," made of rice, lentils and onions.

An Open University

Finally, there are the memories of the students at the University of Amman. This is not an UNRWA institution, although the organization grants higher study scholarships every year.² These are the "good students," selected on high school graduation on the basis of their grades and oriented, on that basis, toward medicine, civil engineering or pharmacy, for the best students, or one of the eight other specialties. They all have the hope of "liberating the fatherland one day." Ali Hassan Kutom, 22, in his 5th year of medical studies, says: "We think of it and we discuss it in the family every day and every night." Salah al-Dasuqi, 23, was born in a camp near Jericho. In 1967, with his parents, two brothers and two sisters, he crossed the bombarded bridge over the Jordan and walked the 90-km distance to Amman, finding refuge in the Wadhat camp. Salah's two sisters died of the hardships of the trip. "I will never forget," he says.

In any case, the Palestinian leaders do not accuse the UNRWA schools of obliterating the memories of the younger generation. This does not, however, prevent them from keeping in mind the precarious nature of an institution which, as Omar Massalha, permanent UNESCO observer of the PLO notes, "was never intended to last." They themselves have in fact established some schools.³ The PLO is currently talking of founding an "open university" designed "to stress the Palestinian identity." For 2 years, the Arab Economic and Social Development Fund, which has its headquarters in Kuwait, and the PLO have been working to establish such a "correspondence" university. Tapes and videocassettes would be used for the classes. Use of the satellite ordered by the Arab countries, which is scheduled to be launched in 1984, would make it possible to broadcast "the same university programs from Rabat to Bagdad." Dr Abu Lughod, a professor at the University of Chicago, was appointed president of this future higher educational institution last April.

Mr Massalha recalls that within the executive committee of the PLO, headed by Yasir 'Arafat--'Arafat the engineer, with a diploma from Cairo University--3 out of the 15 members have responsibilities in the educational sector. This is more than an indication: it represents a choice.

When the possibility that the UNRWA schools will be closed is mentioned, Mr Abdul Rahim Jarat, the spokesman for the Jordanian Ministry of Occupied Land Affairs, admits that the Arab countries could not assume responsibility for these students. "Half of them would go into the commando units," he concludes. For the time being, the Palestinian leaders share the view of the young third-year civil engineering student at the University of Amman, who says "weapons are not everything in a battle. One can make better use of weapons if one is educated."

FOOTNOTES

1. In September 1970, the Jordanian army emptied the camps of the armed Palestinians, with several thousand casualties among the fedayin.
2. For the year 1980-1981, the UNRWA allocated 365 higher studies scholarships to Palestinian refugees wishing to study in Arab universities, including 134 in Jordan. There were 285 scholarship renewals and 80 new scholarships (source: 1981 report of the commissioner general of the UNRWA).
3. There are, in addition, four universities in occupied territory: Bir Zeit, Hebron, Bethlehem (West Bank) and Gaza.

[10 Jul 82 p 5]

[Article by Francis Cornu]

[Text] Jerusalem--Bir Zeit: These two words have as meaningful an echo in Israel as on the West Bank, and even throughout the Arab world as a whole. The real notoriety of the main university in occupied territory has long since surpassed what its academic importance alone would justify.

Bir Zeit is but a collection of dilapidated buildings in a small village lost among the olive fields, but a new campus is under construction on a neighboring hill.

Bir Zeit is a symbol, both for the Israelis and for the Palestinians. For the former, it represents an intolerable center of agitation, while for the latter it is a center of nationalism, proof that "Palestine lives and will continue to live," despite everything. Since the beginning of the occupation, and in recent years in particular, Palestinian professors scattered throughout the world have in many cases abandoned their personal pursuits to come and teach here as a duty. Some 1,900 young men and women are remaining here, whatever the cost, while their parents would doubtless prefer to see them pursue their studies more safely and calmly in the various universities in the surrounding Arab nations.

The setbacks suffered by Bir Zeit are now countless: arrests and constant administrative harassment and, above all, steps taken for extended closings by the Israeli authorities at the slightest sign of demonstration. In the course of the 1981-1982 school year alone, Bir Zeit has already been shut down twice: for 2 months, beginning in November, and for an equal period, beginning in February. And now it has been shut down, since 8 July, for 3 months.

Mr Gabi Baramki, vice president of the university (the president was dismissed) says: "One might as well say that this year was wiped from the calendar, because we are counting on catching up a little bit this summer for the time we lost during the preceding months."

Established last year by Israeli professors and students from the Hebrew University in Jerusalem, a "committee of solidarity with Bir Zeit" has denounced this new repressive step in the following terms: "This is an effort by Israel to destroy the national culture of the Palestinian people." With the war being waged against the Palestinians in Lebanon, the colonization of the land inexorably being pursued on the West Bank, and the recent removal of the newly elected local officials, the closing of Bir Zeit is but an additional way of attempting to force the Palestinians into despair.

5157

CSO: 4419/22

YOUTH EXPERT COMMENTS ON ALIENATION, ISLAMIC VALUES

London ARABIA in English No 12, Aug 82 p 39

[Interview with Dr Kamal Abu Majd in London, date not given]

[Text] Dr Kamal Abu Majd, Egyptian-born adviser to the Kuwaiti Crown Prince and prime minister, takes a special interest in young people in the Arab and Muslim worlds. He was minister for youth in Egypt from 1972 to 1974, and had been associated with youth movements during the Nasser era. In the course of his career he has come across youth movements all over the world – including the Soviet Union, Czechoslovakia and East Germany as well as Egypt and Malaysia. *Arabia* spoke to him during a recent visit to London

 **How do you account for the present mood of malaise and radical discontent among young people in the Arab-Muslim world?**

Radicalism is quite general among young people, but it takes a variety of forms – their frustrations express themselves in different ways, sometimes socially radical, sometimes political. In other cases you meet with Islamic activism, fanaticism even. Of course, in all cases there is a demand for change, a better rate of change, based on dissatisfaction with the status quo. There is discontent with the present social structure. At the psychological level young people are facing serious identity problems.

What form do these identity problems take?

They feel that their identity has become confused. Sometimes they are told that they belong to their "country," as defined geographically. However, this does not mean much to most of them. What great difference does it mean to be an Iraqi, an Egyptian or an Algerian? Alternatively they are faced with a pan-Arab identity: they are told that they are Arabs, with an Arab heritage, and must behave like Arab nationalists. At other times they are made to feel that they are primarily followers of the Prophet of Islam. The malaise is felt most acutely at the cultural level: they feel that attempts are being made to colonise

them culturally by introducing a western lifestyle that may be in conflict with the inherited values of Islam. In many cases this creates an acute sense of anxiety and confusion which threatens their sense of identity.

This suggests that young people are looking for ideas around which their identities can crystallise. Does this mean, then, that the Islamic movement is just one alternative among others – one that has not been tried very recently? After all, a generation ago most of the Arab youth was Nasserist, which gave them primarily an Arab identity. And I suppose you could say that in Egypt, before the second world war, during the Zaghlul era, they were focussing round a purely Egyptian identity?

Yes, but then there were temporary local factors. Egyptian nationalism was merely in the cause of liberating the country politically and constitutionally in order to establish Egyptian sovereignty. That was the end of it. Arab nationalism had its successes, and its setbacks, but it does not offer an all-inclusive way of life. Its targets are basically political – namely the unification of the Arab world. But culturally, psychologically and intellectually Islam is the main component of Arab culture.

Behind all these political movements there has been a struggle for the psychological and cultural identity of the people. Islamic move-

ments have never stopped. There has always been tension between the past and the future, between the conservatives and the reformists. Once the Arabs had regained their independence people began to ask "What next? What philosophy do the new states represent? What cause are they serving? What is their contribution to world civilisation?" It was then that Islam re-emerged as a dominant force, because the time was now ripe for the philosophical and cultural value system it represented.

The problem now is, how are we going to cope with changes and innovations from the West, with the breaking down of cultural barriers, the revolution in information technology and so forth? Not only young people are feeling these pressures: we must first firmly establish our identity before we can be selective about what to accept and what to reject.

Do you suppose the present generation of young people is really less prone to "Westoxication?"
I think many people in the Arab world, not just the youth, have matured in their attitude towards western culture and civilisation. They can afford to be more selective. They are beginning to see that some aspects are universal, others specific to the West – for example, extreme individualism, permissiveness towards children, sexual explicitness in the cinema and so forth. These are ills specific to western culture, and we know that complaints are being voiced about them in the West. We are also aware of the way in which permissiveness deepens the gap between the generations.

At the same time more and more people are conscious of the extent to which the Arab world lacks science, technology and a rational approach (in management and administration). These are universal aspects of western culture which we can adopt, especially when we are sure of our own cultural values and identity.

Would you say that Islamic youth movements have been stronger and more active in those countries which have been exposed to the greatest and longest amount of western cultural penetration?

I would say that these movements started earlier in those countries. Of course, there is always a tendency to copy and imitate, and to import them into places where the original causes do not exist. At the present time there are close links and similarities between youth movements, from Indonesia and Malaysia to Tunisia and Morocco. I have visited most of

these countries, and had long discussions with representatives of these movements. Their terminology, the books they read, their cultural ideas – sometimes even the degree of frustration – is the same. You hear the same words, the same arguments as they meet at camps, in Europe, in the United States and so forth.

There has always been a liberal and a conservative strand within the Islamic movement. Would you say that at present the conservative strand was most prominent – perhaps because the liberal strand, going back to Sheikh Muhammad Abdurrahman, has been associated with the existing political power, and is therefore discredited?

There is no agreement about this. I have met representatives of the movement who show dissatisfaction with what you call the liberal element. They don't like Sheikh Muhammad Abdurrahman, whom they don't consider revolutionary enough. They think he more or less collaborated with the establishment. Others, however, who are aware of the importance of the intellectual basis of the movement, consider Sheikh Muhammad Abdurrahman to be one of the great reformers, particularly in his stress on the rational approach to Islam.

Nevertheless, a lot of them very much like Mawdoodi, who is extremely conservative . . .
Most of the activists in the movement come from conservative family backgrounds, and certainly the majority are strongly influenced by Mawdoodi's writings. But there is another trend that considers him a bit too conservative to provide effective guidance for the contemporary Islamic movement. Certainly, Mawdoodi and Sayyid Qutb are the two most influential figures. Mawdoodi's influence may be attributed to the fact that he introduced a comprehensive interpretation of history and life according to Islam which in a sense represented a counterpart to the Marxist interpretation. To many young Muslims this came as a discovery. However, to scholars better versed in the Islamic sciences it was only one interpretation and sometimes it was not deep enough.

There were certain elements in his thinking that reflected the situation in India and Pakistan. Others reflected his personal attitude. He had a tremendous influence on the modern Muslim movement. I for one believe that the time is ripe for something more relevant to the actual problems of the modern Muslim individual society and state.

CHINESE INVOLVEMENT FORESEEN IN CASE OF LONG WAR

Paris LES NOUVELLES D'AFGHANISTAN in French No 10, Jul-Sep 82 pp 21-22

[Article by B. Expedit]

[Text] In an article published in the magazine STRATEGIQUE, B. Expedit first examines the advantages enjoyed by both parties to the conflict and then decides in his conclusion that the outcome of the war in Afghanistan has not yet been decided.

It is that conclusion which we are publishing here with the kind permission of the Foundation for National Defense Studies (Hotel National des Invalides, 75007 Paris). The sub-heads have been supplied by the editors of LES NOUVELLES D'AFGHANISTAN.

"Brunswick is an excellent general, but he always thinks 'if I lose' and never 'if I win.'" (Napoleon, "Miscellaneous Reflections.")

Ever since the Soviet Russian Empire's intrusion into Afghanistan, an indecisive war of attrition has raged there. The mechanized army of the intruders seems inadequate for coping with mountain guerrilla warfare. The insurrection is weak: the light infantry of guerrilla fighters that it has put together is very well adapted to the environment, but overall organization is lacking, armament is inadequate, and antiaircraft defense and heavy weapons are almost nonexistent. Ammunition is distributed stingily, and the insurgents are suffering a shortage of food. Their communications with the outside world are assured, particularly through the mountains along the frontier with Pakistan, but outside support has so far provided them with only meager supplies. The outcome has not yet been decided. The fortunes of war have not yet rendered their verdict.

To win the war--in view of past conflicts and notably the Algerian War--the Russians could undertake to set up a border blockade to stifle the insurrection and organize an effective light infantry which, with support from heliborne shock troops, would be capable of gaining control of the mountain areas. This involves a metamorphosis which seems at first glance to be easy on the material level, but changing mentalities is a more difficult problem, as was unequivocally shown by U.S. military behavior in Vietnam.

For their part, the insurgents must achieve the means of putting their opponents at a disadvantage, and that involves equipping themselves with suitable weapons, setting up an efficient organization and structures, and building up armed forces capable of concerted action, first of all to counteract anything the enemy might be tempted to undertake, and second, to assure themselves of good conditions for attacking the network of fortified towns set up by that enemy. If the hostilities are not stopped by some unforeseeable event--military or otherwise--or through negotiations satisfying all parties and entailing almost certainly a more or less staggered withdrawal of the Soviet forces, it is not unreasonable to think that the war might be a long one and that its outcome remains uncertain. The reason is that the changes which each side needs to make to give its own action some chance of success cannot be effected overnight. In this area, each of the adversaries possesses advantages allowing it to court the favors of Mars.

Possible Russian Failure

This adds a new dimension to the geographic aspects of the Afghan crisis. A year ago, it was possible to adopt as the only plausible hypothesis that eternal Russia and communism would advance together toward the warm seas. But it is no longer possible now to rule out the opposite hypothesis. Failure and success of the Soviet Russian Empire's undertaking in Central Asia are equally impossible to predict in the current state of affairs. If we therefore consider the Afghan crisis from every standpoint, we cannot ignore the geographic aspect of a possible Russian disappointment as we wait for the issue to be settled by the fortunes of war.

First of all, a Russian failure in Afghanistan, even if it consisted of getting bogged down in endless hostilities, would constitute a sharp check to what is currently called Soviet imperialism, at least in Asia, and to the advance toward the warm seas--whose premonitory symptoms most observers thought they discerned in the events in Kabul on 27 December 1979 and in the intrusion that followed.

From that standpoint--for Europe and the United States, but also for China, since all three are concerned by the possibility of a long-term threat on or through the Indian Ocean's sea routes--if the Soviet forces got tied down in Afghanistan or were forced to abandon their designs on that country, the result thus achieved would, paradoxically, be a naval success.

Question of Wheat

From that viewpoint, it is easier to understand U.S. action in rearming Egypt: it has the indirect result of supplying the Afghan insurgents with the surplus Soviet equipment that Egypt no longer needs. But in the area of indirect support, much can be done in a different sphere altogether. This involves wheat. What better use for the American wheat originally intended for the USSR, but on which an embargo had been placed, than to use it to feed Afghan refugees in Pakistan? There are about 1.5 million of them, and by feeding them, one would also be indirectly feeding the fighters, who are the victims of food shortages because of the war and the devastation wrought by their opponents.

For China, checking the Russians in Afghanistan would be a godsend not only on the maritime level, as we have seen, but also on the continent, where it would cut short the encirclement which China, not without some reason, thinks it sees taking shape and growing on its western borders. By contributing to Russia's failure, China would simultaneously be achieving a sort of counterencirclement. That throws light on the existence of the insurgent movement of Chinese allegiance known as "the organization for the liberation of the Afghan people," which seeks to infiltrate everywhere to supplant the religious leaders, who are regarded as militarily incompetent. Chinese inspiration in the conduct of operations, which has already proven its effectiveness in Cambodia over the past decade, is one of the advantages enjoyed by the Soviet Russian Empire's Asian rival in giving the Russians some well-aimed blows.

For the Russians, a long and indecisive war also threatens to have consequences which will only worsen the failure represented by that lengthy and indecisive war itself. In all probability, Afghan resistance capable of holding out against the Russians would provide an example that could cement the Islamic countries of West Asia, whose only common object of resentment so far has been Israel. If the Russians get bogged down in Afghanistan, Pakistan will certainly find reasons to grow bolder, and Iran will be strengthened as a result. Help for the insurgents from the Islamic countries would have every chance of becoming more abundant, more consistent, more open, and more extensive. That in itself would make the stopping of the Russians more vigorous and more significant.

Since it seems reasonable to ponder not only the possibility of a Soviet failure in Afghanistan but also the possibility that the USSR will gain an advantage, it is necessary, in the case of the first hypothesis, to carry the analysis to its conclusion. If we admit the possibility that the Russians will be stopped, it is even more appropriate to consider the plausible consequences that will naturally extend beyond the borders of unfortunate Afghanistan. In this hypothetical case, the possibility of a backlash presents itself. It deserves examination.

Several convergent symptoms that have been thoroughly studied and examined tend to show that the Moslem areas of Soviet Central Asia are the Soviet Russian Empire's "soft underbelly" and that they are undermined by particularist currents. What would the inhabitants of those Soviet republics do if things did not turn out in favor of the USSR's armies? Would there not be a danger that the Afghan anti-Russian insurrection--essentially Moslem in inspiration--would spread in one way or another to those countries?

If we concede, as some people have suggested, that the Soviet action was at least partly a response to defensive concerns about covering that "soft underbelly," it must also be recognized that a failure could have very serious consequences for the Soviets. If they fail, the threat would be directed against them in the direction of the north and northwest--that is, in the opposite direction from that which their initiative seems to be following with its threat to the Indian Ocean.

Jules Verne is a French author who is much read and highly appreciated in the Soviet Union because of the prophetic nature of his science-oriented works. The Russians would no doubt find it profitable to reread his "Michel Strogoff." The hypothetical case we have just presented was considered in that book as far as the direction of its application is concerned. By mentioning it, we put our finger on an important general problem, which is that of the organic difference between an intrusion by sea and one by land. Examining that difference throws additional light on the hypothesis of a failure by the Soviet Russian Empire in its Afghan undertaking.

The U.S. involvement in Vietnam, like the unfortunate French expedition to Mexico a century earlier, shows quite clearly that when a power strays into an intrusion by sea, reembarkation of its forces generally marks the end of the venture, if we except a few aftereffects of an internal nature which soon fade away. The reason is that the sea is not only a means of communication: it may also act as a barrier and clearly mark a solution of continuity. In the case of an intrusion that has failed and been followed by reembarkation by the intruder, it sets up an absolute physical barrier between the erstwhile antagonists. The "right of pursuit" cannot, in such a case, be exercised over the body of water. If there was an intrusion, it was because the intruder was master of the seas, at least relatively speaking. His retreat by sea thus takes on the appearance of a surgical operation, whose cleanliness and clear-cut nature it shares.

Toward a Chinese-Islamic Alliance?

Russia is the only country in Europe to have conquered a colonial empire by land. Its colonizers were not sailors, but Cossack horsemen. Expansion was achieved by seizing adjoining territories, and thus without those inevitable material, social, psychological, political, and economic breaks that are inseparably linked to ocean transport. Russification was consequently all the more intense. It seems that that special situation explains, as much as Marxism-Leninism does, the exceptional survival of the Russian colonial empire after its rechristening as the "USSR." But there is a reverse side to everything. The Russian continental thrust into Asia--of which Afghanistan can legitimately be viewed as the most recent development--cannot benefit from the disconnection provided by the sea for overseas ventures that turn out badly. Only the expanse of the ocean can effectively protect one from the "backflash."

In its causes as in its consequences, a Russian failure in Afghanistan seems likely to result in special complicity between Chinese support and Islamic aid. The Afghan affair could well be the open door for more or less extensive Chinese-Islamic collusion. Its possibility is not to be ruled out and even less to be ignored.

Let us remember Bandung. There, a little over a quarter of a century ago, the USSR was excluded from the conference, being considered--particularly by the Asian countries--as a colonial power just like the others, and it was defended only halfheartedly by Chou En-lai. For the first time, the Soviets were viewed in Asia as intruders. The Afghan crisis could give greater strength to that idea, which has gained ground since 1955, and if the Soviet forces fail or

simply get bogged down, it could eventually lead to a challenging of the Russian presence in Asia. The repercussions of such an event would surely be felt throughout the world.

There is general agreement in describing the 19th century as the century of Europe. For many people, the 20th century is the century of America. And some feel that the 21st century could be the century of Asia. If so, future historians will perhaps mark its starting date as 27 December 1979, the day on which the first military planes from the Soviet Russian Empire, loaded with troops, landed in Kabul.

11798

CSO: 4619/125

TRADITIONAL PRODUCTS BEING PROMOTED FOR EXPORT

White Wool for Carpets

Kabul KABUL NEW TIMES in English 28 Jul 82 p 3

[Article by Sayed Murtaza]

[Text]

Wool from Afghanistan is very much liked in foreign countries. It is considered very desirable for blending in the manufacture of carpet yarns, but merchants have in the past, had considerable difficulty arranging for purchases.

White wool is sufficiently in demand to permit dealers to make customers purchase some darker wools with every lot of white wool that is sold.

According to a commercial survey conducted in some parts of the world, the Afghan wool is very much preferred.

According to reports by this survey team it is the best in the world for carpet making. As the white wool is in great demand, companies can ask customers to handle black and dark colours as well perhaps on a 50-50 basis.

In England the market has been captured by Afghanistan which has recently improved the quality

of its exports. England very high standards and accepts only white wool in modern packing.

No normal trade in Afghan wool has yet been established in other importing countries such as Germany, France, etc.

Because modern methods of packing is required for wool shipped to the foreign markets, it is necessary to have a wool scouring plant in Afghanistan. Plans for such a plant is already underway and steps are being taken to establish such a plant.

Almost all wool exporting countries now deliver scoured wool so that soon it will be difficult to sell grease wool in the foreign markets.

It is therefore necessary for the concerned authorities to urgently take steps in providing this facility to Afghan wool exporters.

The global production of wool is also increasing as rapidly as consumption. For

the long term future, the price trend is probably downward. In general the prices of wool is under pressure because of over supply, but Afghan wool has a more stable price future. There is, however, little chance of any substantial rise in price lasting for more than a short period of time because of the substitution of synthetic wool which takes place as soon as the price goes above its present levels.

Even if the production of Afghan wool should be increased, the total quantity is not sufficient to influence international prices and global production.

Generally speaking, Afghan wool has a good reputation in European markets. The grading and inspection of wool has been good in recent years. There has been difficulties in the past with the grading and the quality of wool shipped from this country. If shipments from one particular area are of inferior quality

and are not properly graded, this may reflects upon the reputation of all the wool from Afghanistan. The European market could easily absorb all of the exportable surplus of wool that may become available in the foreseeable future.

Among the various European countries, one market, i.e., the German market is already partially developed and it alone can absorb much larger quantities of Afghan wool. Steps have been taken to introduce Afghan wool in the other Eastern and Western European countries also.

General policies pertaining to the methods of distribution and the prices at which exported wool should be sold can be formulated by the Afghan authorities.

There is also scope in this country of making use of much of the experience and many of the practices applied in other countries in exporting wool.

Quality Pistachio Nuts

Kabul KABUL NEW TIMES in English 28 Jul 82 p 3

[Article by A. W. Adel]

[Text]

Pistachio is a nut belonging to the Anacardiaceae family, Anacardial order and genus Pistacia.

It is believed that pistachio originated from an area between Syria and Turkistan and has been used since 3,500 years ago in the eastern regions of Asia.

About 1,500 years ago, pistachio entered Italy, and has spread around the Mediterranean Sea, Near

and Far East Asia, Afghanistan, Iran, India and China.

Pistachio is today naturally found in Afghanistan and other major countries of the region but recently, the plant has also been planted in pistachio plantations in Iran, Africa, Italy, Syria, Tunisia, France and Algeria. The quality has been raised by the grafting and other techniques.

The genus *Pistacia* includes 15 different species, among which *Pistacia vera* is the dominant one and yields more in this country. This species is grown in plantations in Kohna Qul of Badghis province, Dara Soof of Samangan province and in some other places. Why this variety is so distribution and grows in these places is not exactly known precisely but it has also been cultivated in Turkey, Italy, and the Mediterranean region two to four thousands years ago. Afghanistan, it is felt can also have been its place of origin as many different species of this plant are found in this country.

Pistachio forests, once a wide-spread indigenous tree in Afghanistan, covers an area of 450,000 hectares and are located mostly in the provinces of Badghis, Faryab, Samangan, Baghlan, Jozjan, Herat, Balkh, Kunduz, Takhar and Badakhshan.

The largest pistachio forests are located in the Samangan and Badghis provinces that yield more than 1,300 tons of fruit annually. The trees are sparsely distributed in steppe landscapes at densities of 15-20 square kms. Most of the trees are old and browsing of the branches prevents regeneration.

The growth of pistachio is restricted to only certain regions in the world. The best growth condition are provided by environments where winters are cold and summers are long, hot and dry enough to let the fruits ripen.

Each tree, with spread out branches grows upto six metres. The leaves are compound and have 3-5 le-

aflets. The trees are dioecious or the male and female flowers are borne separately in different trees and also lacks petals.

The fruits (nuts) are borne on the small branches in clusters like grapes. When they ripen, the outer covers turn to straw yellow, purple and then red or into a mix of these colors.

If the nuts are pressed by the thumb, they split easily. The best kind of pistachio is called 'Khandan', which splits easily and its meat is also found in different colours of purple and red.

The germinating seedling puts out a long tap root and adventurous roots at the soil level, therefore, it can be easily transplanted or adopted to the dry conditions.

The fruiting age for the natural trees is 7-10, while that of the plantation trained trees 5-6 years.

Pistachio trees are long-living and one tree may live up to 400 years. Each tree yields every 3-4 years. The trees are found at the elevation of 2,500 metres in Afghanistan.

Picking or harvesting the pistachio nuts is done in a traditional manner. There is a fixed period of time called the 'shool pista'. This period varies in different provinces. For instance, the crop is harvested in Herat at the end of the Afghan month of Sunbula (mid-August-September), in the northern provinces in the end of Asad (July-August) while in Badakhshan in Mizan (September-October).

Some efforts have been made to manage the harvest time and prevent unwise and early picking by the

Government, otherwise, the quality and quantity of the crop is poor. Training and education of nut pickers and enforcement of law alone can prevent irresponsible damages to the pistachio forests and their crop. As it is, the yield per tree in Afghanistan is very low when compared to other countries. This is due to mismanagement and lack of knowledge of the people engaged in it.

In order to get satisfactory crop yield, the time of harvesting should be fixed. To attract more purchasers in the international markets, cleaning, sorting, packing and storing should be properly done.

Some of the people who live at edges of such forests also cause harmful interferences in the forests.

One other factor that effects crop in this country is that plants to promote pollination which is necessary for development of the nuts.

The number of guards, who are responsible for the protection of pistachio forests is also not sufficient.

Due to unwise cutting of the trees for fuel and some other purposes, the volume of pistachio forest has also decreased considerably in the recent years. Sometimes fires cause severe damages to the forests.

To avoid damage to the quality of the crop, mixing of the raw and ripened nuts should be strictly avoided.

There are more than 14 varieties of pistachios found in Afghanistan. Their size and form vary but their quality and value is almost the same. These varieties are:

Char Dard, Gushe Nazee, Katadan, Nakhune Shir, Keshmeshi, Shutur Dandan, Gushe Bara, Raisa Dandan, Dahan Gunjeshk, Kala Gurg, Husaini, Laldana, Mara Faramush Makun and some others. They are also distinguished by the early or 'garma' variety and late or 'sarda' variety.

Pistachio nuts contain 56-60 per cent fat, 22-18 per cent protein, 15-17 per cent other extractable components. Pistachio fat is considered very nutritious and has many uses. The nut is highly recommended for weak and sickly people. It is also rich in vitamin B-1 and B-2. Besides being a valuable food for mankind, it has many industrial uses. The food of the tree is widely used in the houses for fuel. In many countries pistachio nut is presented as a gift to guests and is used fried and salted in feasts. Among all the dried fruits, which are very important as commercial commodities from Afghanistan, pistachio has a special and prominent place.

The price of one kilogram of pistachio in Kabul today is more than Afs 300 some time. Whereas in the west it is much more.

For the expansion of commerce and as this is a hard currency fetching item in the international markets, studies are necessary to conserve the pistachio growing areas. Cooperative to manage the forests are needed and special efforts must be made to conserve the genetic diversity of the natural populations of the trees. Establishments of new pistachio plantation in the areas where the climate and soil conditions are

suitable should be considered. Studies in other countries have shown that, irrigated and trained trees yield four times more than the natural plantations.

Raisins for World Market

Kabul KABUL NEW TIMES in English 29 Jul 82 p 3

[Report by Hadi Rashidi, president of Afghan Fruit Co.]

[Text]

"With the export of 75,000 to 80,000 tons of raisins each year, Afghanistan occupies the second place among the world's leading exporters of raisin, which is only second to natural gas as an exchange earner in the country".

This was stated by Abdul Hadi Rashidi, President of the Afghan Fruit Company, to daily Hewad.

He added that the activities of this company, which went into operation in 1963 with an initial capital of Afs 17 million, were originally confined to cleaning, sorting and packing of the raisins belonging to the individual traders on a commission basis.

Slowly, with the rising demand for raisin in the in-

ternational markets, the company expanded its activities. It raised its capital substantially, especially after the victory of the Saur Revolution.

The initial capital of the company, he said, has been increased to Afs 150 million and its final capital to Afs 200 million.

Encouraged by the successes and learning from the experiences of this pioneering company, another 36 raisin-processing companies are now being established and promise profitable functioning.

Rashidi said that the prospects for further expansion of this industry and the export of raisins and nuts to the foreign markets are "very bright indeed".

CSO: 4600/716

PRODUCTION INCREASED IN VARIOUS ENTERPRISES

Metalworking Factory

Kabul KABUL NEW TIMES in English 31 Jul 82 p 3

[Text]

The state-owned Jangalak Factory has brought over Afs 220 million to the state exchequer from the sales of its products last year.

This was disclosed by Eng Vedia, chief of the production department of the factory, to daily Hewad.

Established in 1960 and expanded after the Saur Revolution with an initial capital of over Afs 175 million, the factory has now developed into the biggest metal working establishment in the country. It has made an important contribution to implementation of

the large-scale development projects in the DRA, Eng Vedia added.

The factory has various sections and at present employs 972 workers. As many as 89 per cent of the work force in this factory are skilled and professional workers.

Asked about the plan of the factory for the current Afghan year (ending March 20, 1983), he said that the state has allotted a sum of Afs 160 million for implementation of this year's plan of the factory.

More Electricity

Kabul KABUL NEW TIMES in English 1 Aug 82 p 3

[Text]

The commissioning of electrical substation to the north of Kabul city, will provide sufficient electricity for the city and make for lesser power cuts.

The revolutionary Government of the DRA, has also undertaken some constructive measures for the provision of electricity to

those families who at present do not have such a facility. These include both elimination of the existing shortcomings and provision of further grounds for extension of electricity to the far-flung areas which lack it.

For realisation of such lofty objectives of the revolutionary Government, Po-

wer, Ministry has recently took some useful measures. These include, conclusion of a contract for the purchase of equipments and accessories along with the transformer and its needed parts. The contract was signed with the Electrotechnic Company of the friendly German Democratic Republic.

With utilisation of the new equipments, montage of an interim transformer at the northwest substation and other necessary adjustments, the substations located in the east, the north-west and Brishnakot will be relieved of as much as 110 kv of overload.

This was disclosed by an official of the Power Ministry in an interview with the Kabul New Times recently.

The official stressed that such measures are necessary to remove the existing difficulties in some parts of the city. For sometime, because of the overload in some substations, the technical officials of the ministry are obliged to stop the supply in these substations for short intervals. But, with the introduction of new measures, which include installation of new equipments and overhauling of old substations, such shortcomings will soon be removed. These will also prepare the ground for provision of more power to be provided to some areas.

Elaborating, the official said that the purchased equipments and accessories include: transformers, dry switches, telli switches, switchboards, current transformers, and voltage transformers. The total cost of all this amounts to as much as 3,672,480 US dollars and the cost of the interim transformer has been estimated at 284,050 dollars. The overall cost of the project is expected to be as much as 3,956,530 dollars. This will be met from the 20-million dollars credit of the German Democratic Republic.

In accordance with the term of the contract, the equipments and accessories will be delivered to the Afghan side in two phases. In the first phase, the interim transformer with its needed parts is scheduled to reach an Afghan port by September 15. The montage will begin later. And, the utilisation of the substation will be made as soon as possible.

In the second phase, the north substation equipments will be delivered to the Afghan side in September and the project will be readied for utilisation at the end of 1983. Installation and montage of the interim substation at the northwest as well as the equipments related to the north substation will be carried out near the Kabul international airport, he added.

Helmand Company Builds Canals

Kabul KABUL NEW TIMES in English 2 Aug 82 p 3

[Text]

"The Helmand Construction Corporation (HCC) has incessantly made efforts to have an active and effective part in construction of major establishments included in the developmental programmes of the Government especially; in the sector of water and power, in the framework of the scheduled constructional plans of the state based on international standard", an official of the HCC told the Kabul New Times recently.

The official added: "The corporation began in 1330 H.S. (1951) with the initial capital of Afs 500 million and the final capital of Afs 2,000 million.

"The main aim of such a project is to speedily carry out constructional works in the country from the view point of design and to successfully fulfil its constructional plans to benefit the national economy, to bring fundamental changes in the method of work in management, accountancy, assessment and maintenance of construction affairs, to voluntarily join at bidding meets at international levels and compete with local and foreign contractors, and to utilise the talents of national cadres who are good in management standards keeping in mind the conditions of the country. The HCC also trains local people in the professions associated with the work of the HCC according to international criteria. The HCC has a free hand, to carry out its assignments.

ROADS, DAMS

"Construction of water reservoirs, diversion bunds, water irrigation systems, canalisation, development of land, construction of power establishments, major repairs of irrigation systems and power establishments, construction of railroads, motor roads, bridges, airports, important engineering establishments and such other works have been, is and will be carried out by this unit. It has always taken an active part in national reconstruction during the past and will work in this capacity in the future too", the official pointed out.

He recalled that the unit has a final capital of 2,000 million which can be increased with the cooperation of the Finance, the Commerce, the Public Works and the Water and Power Ministries and the State Planning Committee.

Last year, in addition to carrying out construction work at the major projects, the HCC also concluded a number of contracts with various organisations for construction of the State Information Services general department, and offices of the Interior Ministry and the AFSOTR Transport and Forwarding Company.

Part of the construction work of a number of establishments which the HCC has contracted to do have been completed and the re-

maining work is being done. The unit has taken active part in and completed construction of the provincial health centres of the Herat, Zabul, Urozgan, Fariab, and Balkh provinces which are now open to the public.

Construction of two school buildings, consisting of 12 and 16 classrooms each, in each one of the five provinces of the Farah, Nimroz, Helmand, Ghor and Fariab, are also being done by the Helmand Construction Corporation.

Construction work of irrigation systems such as the Kunduz-Khan Abad project, the Salma reservoir, the Kajaki wafer spill-way project, the Kamalkhan wafer reservoir and the Zaberi projects of the Helmand province, under the Energy and the Power and Water Ministries of the DRA, have partly been done. The unit has also taken up the construction work of a veterinary polyclinic building in Kandahar.

The HCC has also completed the construction of residential buildings for the judges of the Balkh, Fariab and Orozgan provinces a sugar factory in Baghlan province, a 1,000-family housing project in Jauzjan province and a textile mill in Balkh province.

The unit also undertook the construction of six different buildings and residential quarters for the staff at the Prime Ministry and an administrative building for the Transportation Ministry, the building of the Brishna power department. Last year part of the work for these projects have been completed.

The construction of the party press was also completed by the HCC recently.

The HCC official said: "The unit purchases its material mostly within the country. In case some necessary items are not available in the country, it advertises and asks offers from foreign companies for the needed materials and after carefully evaluating the offers economically, takes necessary measures to purchase the materials from abroad".

"The HCC", the official went on, "Has incessantly made efforts to take an active part in construction of major establishments included in the developmental programmes of the Government, especially in the sectors of water and power. The unit has performed meritorious services for the benefit of the national economy. On many occasions it has also sat at bidding meets of some major projects financed by international organisations and the World Bank. For example, in the bidding meet for the construction of the Kajaki water spill-way project, the unit offered 50 per cent less than the lowest offer made by the German construction company 'Zoblin' that wanted to do the project for Afs 1,400 million in foreign currency. The HCC, on the other hand offered Afs 779 million for the same and won the contract. This only shows how the HCC is actively taking part in the welfare plans of our beloved homeland and is endeavouring to earn more for the state exchequers by presenting viable plans."

Talking of this year's pl-

ans, the official said that in addition to its present work, the HCC was soon going to build a 200-bed hospital located behind the police commandant.

The work at the HCC is mostly done by Afghan engineers, architects, technicians and workers. The

work is done in a most economical manner and all the workers of the HCC make untiring efforts to help their beloved homeland blossom and take active part in the services of the people of the country and thus earn eternal honour for themselves.

Prospecting for Various Minerals

Kabul KABUL NEW TIMES In English 3 Aug 82 p 3

[Text]

In addition to the mines presently being exploited the mines' extraction department has formulated plans for vast exploration of mines for barite ($BaSO_4$), gypsum ($CaSO_4$), salt ($CaCl$), lapis lazuli and building stones.

This was disclosed by an official of the department to Kabul New Times in an interview.

The department is a productive institution, functioning in the framework of the Mines and Industries Ministry. And, extraction of barite, gypsum, salt, lapis lazuli, thallium, building stones and other materials are the duties of the department.

Machines and instruments used in exploiting mines include bulldozers, generators, compressors, assorted drills, welding machines, mobile workshops, diverse transport vehicles and others. The department now possesses a total of 427 operative and semi-operative machines and instruments.

The official recalled that the department functioned

earlier as a general directorate under the mines and the geological survey department of the ministry and was promoted to the level of a department in 1352 H.S. (1963).

"The past regimes did not pay serious attention to modernisation of solid mines' extraction, and these were explored through very primary and unprofessional methods previously. But, fortunately, the victory of the Saur Revolution, especially its new and evolutionary phase, has brought effective transformations in the field of exploration of mines, parallel with the all-sided and positive changes in the other socio-economic sectors in the country", the official stressed.

In order to modernise its operations, the department concluded contracts with the friendly Soviet Union for purchase of machines and instruments. It also employed professional advisers for the exploitation of solid mines.

Most of the mines belonging to this departm-

ent are located in far-flung areas of the country. And, despite a series of problems, the working plans of the mines' projects have been implemented and the results are considered satisfactory. The official attributed this also to "the hard work and the attention of the engineers, technicians and workers of the mines".

In the course of 1360 H.S. (1981), the department persistently operated the salt mine in the Takchakhana and the Andkhoi, the Balkh and the Hrat provinces, the gypsum mine in Kandahar and Pulekhomri and the building stone mines in Khairkhana Mena, Kabul city. It added over Afs 38,000,000 to the revenue of the Government by selling these materials. The performance was appreciated by the concerned authorities.

According to the working plan for the last year, of the projects of the department, the volume of ex-

tractions were: 30,000 tons of salt, 6,000 tons of gypsum and about 28,000 square metres of building stones.

The envisaged basic and developmental work of the department for the future includes exploration of the gold mine of the Nora-ba, the fluorite mine in Bakhot, Kandahar province, installation of a unit for iodination of salt, completion of the construction establishments and montage of instruments in the central workshop for repair of mine extraction machines and other equipments.

The department has recovered mines on the surface and underground. These were sold out to the needy state organisations and compatriots", the official pointed out.

The department has on its payroll 622 technical and administrative personnel with different academic levels in the fields of professional mines extraction, geological surveys and others.

Milk Supply Up

Kabul KABUL NEW TIMES in English 3 Aug 82 p 3

[Text]

The Gozargah a dairy project, in Kabul has played a unique role in providing dairy products for the people of this city. Last year, this organisation, in the first three months distributed 1,200,000 litres of milk to consumers, an official of the project told the Kabul New Times, in an interview recently.

He said, "the main objective of the project is distribution of pasteurised milk

to Kabul's people, in the homes, various institutions, hospitals, to the army and police units, the hotels and to many other consumers. The dairy provides pasteurised milk to its consumers at a cost of Afs 13 per litre.

The dairy also sells 15 page coupon books at Afs 395 which can be used for one month.

Milk and other dairy pro-

ducts are acquired by the Gozargah project abroad and from within the country. It receives assistances from the UN and the friendly country Czechoslovakia.

The dairy also acquires yoghurt, cream, butter and cottage cheese from the livestock department of the Agriculture and Land Reforms Ministry and provides these items to the consumers.

The dairy farms of the Baghlan Sugar Factory and the Tashqorghan district of the Samangan province also supply milk to the Gozargah project.

This milk is then pasteurized under the supervision of skilled technicians and distributed to the buyers.

"The revolutionary and popular Government, whose main aim is to sincerely serve the oppressed people side by side with other beneficial plans in different fields, is also paying a great deal of attention to developing dairy projects in the country. Accordingly, a new building for the Gozargah project is under construction. At present the dairy distributes, daily, from 5,000 to 6,000 litres of milk to the people", the official said.

CSO: 4600/717

PEOPLE CALLED ON TO BUILD NATION

Kabul KABUL NEW TIMES, in English 29 Jul 82 p 2

[Editorial]

[Text] Creation of conditions for the unity and solidarity of the working masses is among the priorities of every progressive, popular and democratic order. Attempts are being made in the DRA, too, for the forging of the cooperation of the people and mobilisation of their creative energy for the progress and blossoming of the society, and the well-being and prosperity of all.

After the victory of the revolution, especially its new phase, many practical measures have been adopted for strengthening the solidarity of the diverse social strata. The trade unions, the agricultural cooperatives and other social organisations like the unions of journalists, writers and poets, and artists, have all been formed so that every class and social strata, by organising itself, can play its due and active role in expediting the reconstruction process and the revolutionary transformations of the Afghans' proud homeland.

The organisations also help improve the working and living conditions of the different strata.

Establishment of the mass social organisation in our country testify to the very fact that the DRA's national and democratic Government attaches immense value to the role of the masses. For, the true owners of this land are the people and all the moral and material wealth of the society belongs to them.

They are duty-bound to rebuild their homeland—the birthplace of their epic-making ancestors and forefathers—by their indefatigable strivings and promote it to the zenith of glory. Realisation of such an aspiration is possible only through the work and struggle of all, the persistent, sincere and constructive labour.

Today, thousands of our workers are being organised and mobilised in the trade unions. The Central Council of Afghanistans' Trade Unions, by la-

unching work emulation drives and massive active and volunteer work campaigns which are unprecedented in our history, have not only shown its meritorious patriotic initiative but also enabled a remarkable increase in the production of various factories and reduction of waste of capital, labour and materials. The experiences acquired have been shared with other workers.

Our toiling people, who were deprived of such possibilities in the past with the then ruling circles sowing discord among them, now joyfully avail themselves of the opportunity and join their social organisations to

create a big power. This enables them, at this sensitive juncture of our life when the motherland is at a turning point of contemporary history, to perform proud feats of labour and inscribe their names among the true servants of the people and the nation.

No doubt, the role of the mobilised, epoch-making toilers and intellectual workers in taking their homeland towards high peaks of victories and prosperity is of vital importance at this crucial stage of our history. The role has been enhanced as part of the massive campaign to rebuild our motherland ushering in a new society.

CSO: 4600/718

MILITARY MANPOWER TO BE REINFORCED

Kabul KABUL NEW TIMES in English 3 Aug 82 p 1

[Text]

KABUL, August 3 (Bakhshtar).—Following is an announcement by the Council of Ministers regarding measures to strengthen the defence of the DRA issued on Assad 11, 1361 (August 2, 1982):

In order to achieve confident defence of the gains of the Saur Revolution, to ensure order and security for the public in the country, to ensure peace throughout the country and to foil the aggression of the US imperialism, Chinese chauvinism, Arab reaction and Pakistani militarists, who send armed mercenaries into our beloved country to resort to plunder and looting of people's wealth and public properties and to set fire to public properties such as schools, mosques, hospitals and other institutions and to kill our noble and honourable people, and to provide a tranquil atmosphere for peaceful work, to strengthen the units of the Armed Forces of the Democratic Republic of Afghanistan and to implement the joint resolution of the PDPA CC Politburo and the RC Presidium, the DRA Council of Ministers announces—

1. The soldiers and cadets of the army units who have completed their terms of military service and were demobbed from the ranks of the Armed Forces before Mizan 30, 1357 (October 22, 1978) and whose ages are not more than 35 years are to be mobilised in the ranks of the Armed Forces for two years.

2. After completion of these two years in the Armed Forces, twice as much as this period will be reduced from the contingent period of the demobbed.

3. Afs 3,000 will be paid to the drawee every month and those, who get more salaries than this amount, will be paid the same amount as their salaries.

4. According to the provisions of Chapter One of the resolutions of the joint session of the PDPA CC Politburo and the RC Presidium dated 26.4.1361 (July 17, 1982), the Defence Ministry is given authority, if necessary, to draw the third degree contingent forces, aging from 36 to 39, to the Armed Forces and despatch them to police units and logistic and guard units of the armed forces.

While drawing the third degree drawees, the Defence Ministry should pay serious attention to avoiding to draw those who have completed their terms of the contingent period in accord with the provisions of the general military obligations law.

5. According to the provisions of Chapter Four, the drawees are paid Afs 3,000 and those, whose salaries were more than Afs 3,000, will be paid as much as their salaries.

6. The soldiers and cadets, who remained in the Armed Forces after completion of their military terms until the enforcement of the decree of the DRA RC Presidium, dated 26.4. 1361 (July 17, 1982), will be paid their monthly salaries.

CSO: 4600/718

CLOSER WORK BETWEEN YOUTH, POLICE URGED

Kabul KABUL NEW TIMES in English 2 Aug 82 p 1

[Speech by Dr Faruq, general president of the Political Affairs Department, Ministry of Interior]

[Text]

KABUL, August 2 (Bakhshtar).—A countrywide seminar for the instructors of the DYOA in the police commands of the capital and the provinces of the country, was inaugurated by Dr Faruq, general president of the political affairs department of the Interior Ministry here yesterday to familiarise them with the implementation of their tasks and methodic work in the security forces.

Dr Farouq, in his speech, said: "Every member of the DYOA and each political incharge in the security forces is duty-bound to further struggle, and publicise among the masses and in the battle fields their sacred political work against the counter-revolutionary elements".

A secretary of the DYOA CC spoke on the tasks and the need to strengthen the organisational and political work of the youth among the policemen.

Some cadres, activists and incharges of the DYOA in the police forces also made speeches on the quarterly activities of the police DYOA units in fulfilling the tasks entrusted by the fourth plenum of the organisation. Work experiences and joint efforts among them to strengthen their work and activities with the police for complete eradication of counter-revolutionary elements, strengthening of organisational ranks and political education and training of the DYOA members, distribution of membership cards and other issues which were endorsed by the participants, were discussed.

At this two-day seminar, over 45 DYOA cadres and activists are participating and issues on attracting and mobilising the youth to the military service, order and discipline, strengthening of party leadership for the organisational problems, distribution of party membership cards and other matters are also to be discussed.

ALGERIA

ALGERIA-FRANCE ECONOMIC COOPERATION EXAMINED

Paris AL-MUSTAQBAL in Arabic No 280, 3 Jul 82 pp 49-50

[Article: "The Largest Economic Agreement Between France and Algeria - From Political Wariness to Economic Trust"]

[Text] This economic agreement between France and Algeria includes the building of a subway for Algiers, plants for the manufacture of glass, aluminum, and food products, and housing complexes consisting of 50,000 apartments.

Last 21 June Algeria and France signed the largest economic cooperation agreement in the history of the two countries, and this is the first step of its type taken [by Algeria] with a Western nation. The total value of the contracts included in the economic agreement is approximately 20 billion French francs. This covers French exports to Algeria as well as industrial and agricultural projects and projects for developing communications networks. At the same time, persistent rumors are going around in Paris concerning the existence of a military appendix to this agreement which is still being negotiated. [The rumors are saying that] this military appendix to the agreement might lead to a huge arms deal which would enable Algeria to diversify its sources of arms and consequently expand the scope of its initiatives in foreign affairs.

Letters which have been exchanged between the French minister of external relations, Claude Cheysson, and his Algerian counterpart, Ahmed Taleb Ibrahimi, who signed the agreement on behalf of their two countries, refer to a list of the projects which are included in the agreement and concerning which contracts have already basically been concluded. The most important of these projects are the construction of a plant for the manufacture of sheet glass in Jijel, the provision of technical aid for [the construction of] a similar plant in ('Rzuq), the making of a study concerning the subway project in Algiers and completion of the first phase of the project, the export of approximately 4,100 Renault trucks to Algeria, the construction of an aluminum plant in (Mthilah), the construction of a plant which will produce food products, and renovation of the airport at Constantine. In addition to these projects, there will be the construction of housing complexes consisting of 60,000 apartments, the estimated cost of which will be 10 billion French francs.

In the realm of technology, the agreement has the objective of establishing long-term cooperation in the fields of railroad transport, roads, airports,

industrial development, hydroelectric development, agricultural reform, data processing, and nuclear power. In fact, the Algerian-French agreement leads one to make the following remarks:

1. In spite of the fact that the Algerian authorities have endeavored not to refer to any link between the latest cooperation agreement and the agreement concerning the price of Algerian gas which was signed last 3 February, observers are inclined to believe that there does exist a strong link between the two agreements. On the one hand, after the French prime minister Mitterrand visited Algeria at the beginning of December of 1981, Paris undertook to solve the Algerian gas problem by agreeing to a price of \$5.12 for every million Btu's ([British] thermal units). This was a figure which was very close to that which was being demanded by Algeria, and one must bear in mind that France will resort to subsidizing gas prices to the tune of about \$0.69 for every million Btu's in order to make it economically profitable for French petroleum companies to exploit the gas. In addition to this, and in return for ending the dispute concerning gas prices, Algeria undertook to expand its economic cooperation with France.
2. The gas agreement with France is considered to be of decisive importance as far as Algeria is concerned. This is because the gas agreement consolidates its position in its negotiations with Italy which, in turn, has made a contractual agreement to import about 12.5 billion cubic meters of gas via the pipeline which links the Algerian ports with Europe across the Mediterranean. One should bear in mind that Algeria's demand at the end of 1980 that gas prices be revised led to a dispute with both France and Italy. The dispute resulted in the cessation of pumping Algerian gas through the pipeline, and in fact it also resulted in a boycott of Italian companies. Talks proceeded very slowly, on the level of the technicians and the companies, until the Italian government decided to raise the talks to the governmental level, as France had previously done, hoping to arrive at an overall solution. The first indications of movement toward a solution appeared 2 weeks ago when the Italian minister of foreign trade, Nicola Capria, returned from Algeria and announced that there would soon be agreement concerning the gas prices. At that time it was known that Italy had raised its offer to Algeria from \$3.81 per million Btu's to about \$4.01 per million Btu's. But the following day the government was subjected to open and severe criticism by the Italian national oil company ENI, which considered that the price agreed upon by the government was not an economical one. ENI also said that the French price was a price which could basically be considered a political one. Nevertheless, it is clear that the Italian government is determined to put an end to the dispute and has announced its readiness to subsidize the gas price in order to enable ENI to economically exploit the gas. By means of doing this the Italian government aspires to link the gas agreement to [an overall] economic cooperation agreement like the agreement which Algeria recently signed with France.
3. There is no doubt that the Algerian-French agreement is based not only on the flexibility of the two parties, but also on a rapprochement in the points of view between the French socialists and Algeria concerning a number of political issues. One of the factors which no doubt has had its effect

in this regard is the gradual change in France's position with respect to the Western Sahara issue.

4. Finally, it should be pointed out that the agreement with France is the first of its kind that has been signed by Algeria with a Western nation. In the past Algeria has signed long-term economic cooperation agreements only with a number of socialist [Eastern bloc] nations. In this respect, the economic agreement with France and what may follow it in the realm of defense, as well as the agreement which will probably be made with Italy, will restore a great deal of balance to Algeria's foreign relations. Up till now this balance has been one of the most important characteristics which has provided Algeria with credibility and respect internationally, especially among the nations of the Third World.

9468
CSO: 4504/398

ALGERIA

NEW EXCHANGE CONTROLS ON EXPATRIATES JUSTIFIED, CRITICIZED

Algiers EL MOUDJAHID in French 5 Aug 82 p 3

[Article by Y. Aggoun: "The Texts and Reality: New Exchange Controls on Nationals Abroad"]

[Text] Since 15 June nationals residing abroad have been subject to new exchange controls. What is the objective of these controls, and how do they work out in practice? We shall try to answer these two questions.

The question at hand is the application of a provision in the 1981 finance law. At the National Assembly's fall 1980 session, it debated on and passed two bills concerning the movement of Algerian nationals abroad. First, Algerians were required, upon reentering Algeria, to give up a certain sum in foreign currency that does not cause an incentive bonus to be paid. Second, air, sea or rail tickets bought in Algeria for travel abroad had to be paid for in dinars amounting to an equivalent sum in imported foreign currency. This rule will also apply to foreigners coming to Algeria.

The National Assembly left it up to the government to decide how to enforce the law. In this context, a debate was held in the council of ministers and a decree signed on 8 May 1982 and published in the official journal, issue No 19 of 11 May 1982 (decree No 82-175 concerning the application of articles 110 and 112 of the 1981 finance law imposing certain exchange controls on nationals residing abroad).

According to the text of this law, only "nationals residing abroad who are over the age of 19 and who engage in income-producing activity are required:
--to yield on entering Algérie an amount in foreign currency equivalent to 700 DA [Algerian dinars],
--to justify by converting to dinars the amount in foreign currency necessary for purchasing in Algeria tickets for travel abroad.

By the terms of article 1 of the aforementioned decree, only those engaged in income-producing activity are affected by this law. Those people are excluded therefore who have no income-producing activity, students and trainees attending school abroad and people on assignment for national service.

This law has two purposes. First, there are practical reasons for it: asking an emigre to exchange a minimal 700 DA when entering the country is no big deal. Admittedly it is a symbolic, even laughable sum. The 700 DA won't break his budget or ruin his vacation. And we don't think an emigre won't spend as much as 700 DA while visiting his native country. The sum is sometimes hardly enough to cover the price of the trip from the airport to his native village. On the contrary, exchanging this amount of money makes it possible at least to reduce if not eliminate the horde of speculators hanging around ports and airports to bilk emigres who thus violate the law or at least risk besmirching their own reputations, especially since not all emigres indulge in such practices. A second reason for passing this law is a moral one.

Our compatriots residing abroad are contributing to the effort of national development through their importation of foreign currency. It is well known that several countries that have a large colony of emigres in Europe get a large share of their foreign currency receipts from their emigres.

It is no secret that we need foreign currency from our nationals residing abroad, and the state grants them advantages accordingly: preferential rates to buy transportation tickets, which are sometimes discounted as much as 40 percent; a grant of a bonus on savings to counterbalance the devaluation of the franc.

This bonus was initially 12.5 percent, but it has reached about 40 percent with the sharp drop in the franc. The bonus consists in aligning the dinar with the French franc (Fr 1 = 1 DA) and is granted automatically when emigres send money orders to their families and when they exchange currency upon entering Algeria.

Along with these advantages, the state makes enormous efforts on behalf of its nationals residing abroad; they are given rights and priorities. For example, the APC [People's Communal Assemblies] are required to reserve 10 percent of building lots for emigres; 10 percent of the CNEP-ONLP [Algerian National Savings and Insurance Bank-[possibly] National Housing Office] housing program is reserved for them; renewable credit is granted annually on advantageous conditions; facilities are provided to set up production units, etc.

Our nationals residing abroad are aware of the efforts made by the state to help them readjust gradually and harmoniously to Algerian life.

In practice, this operation is a timely one to strengthen the various measures taken so far by the government to reform finances. There is a direct link between the 500-DA [as published] operation and foreign-currency traffic.

It is now proven that a large volume of the 500 DA were circulating abroad. Some banks have even had the "gall" to contact the services involved and ask them what they should do with the banknotes in their possession!

A Severe Blow to the Foreign-Currency Traffic

The foreign-currency traffic was recently struck a severe blow; its underground exchange rate has diminished sharply for three basic reasons. First, there was the cancellation of 500-DA bills, which were highly valued abroad for their practicality. Second, the banknote allocation to our foreign nationals going abroad was increased; third, there was the application of the new law on obligatory exchange by nationals residing abroad.

A month and a half after the law went into effect and despite foreseeable shortcomings, the law has met with official satisfaction, especially that of the number one in finance, Mr Boualem Benhamouda. And how can they keep from showing more than satisfaction, when a symbolic gesture by our nationals residing abroad brings into the state treasury in one day something on the order of a billion centimes in foreign currency!

Another positive note is that our nationals exchange much more than the minimum required, which is a demonstration of their conscientiousness and patriotism.

Also, they do not seem to be in any way affected by a requirement that needs no justification either morally or legally. Indeed, what could be more normal for someone living all year long in a foreign country and having a foreign source of income than to pay for his transportation with the currency of the country in which he is residing and to exchange a minimal amount of this currency as required.

The only hitch in this operation that we can see is the fact that the execution of the decree was not preceded by a large information campaign, which was the only way to scotch rumors.

More Exchange Windows and Checks

Workers are required to exchange currency at "each entry," not once a year. Indeed, considering that the vast majority of our community living abroad is made up essentially of workers and what the cost of living in their country of residence and their social conditions are, it is obvious that they can hardly afford several trips in a year. They can hardly manage to pay a visit to their family once a year and, perhaps, on a special occasion (marriage, death, family business, etc.). So that is not a weighty argument. There is nothing special in that.

Mr Benhamouda knew that putting this law into effect would cause some practical problems, but he realized its importance and implications and personally followed up on its implementation. He thus gave instructions that can be summarized as follows:

- increase the number of bank windows at ports and in airports.
- check the exchange operation not upon entry but upon leaving the country. Upon arriving at the airport or port, the foreign resident fills out a customs declaration. With this declaration, he may omit making an exchange at airport bank windows, because all banks, even primary ones, are required to make foreign-currency transfer and retrocession operations. He thus has all the time he needs to make the required exchange and can do so at the most convenient place. Upon

leaving the country he is required to give the customs a Treasury receipt for the required exchange.

The operation has thus been extremely simplified, especially in this rush period when exchanges at ports and airports are the main cause of bottlenecks, take up the most time and create the most tension among travelers returning to their native country.

In addition to all these simplifications, Mr Benhamouda has given personal instructions to the services involved to be flexible--but not lax--with our compatriots residing abroad. For this purpose he has even sent his close associates to the port and airport of Algiers to observe the operation first hand and make the necessary adjustments, because practical problems were bound to appear in the first year of operation.

In the light of experience in the field, improvements have been made as necessary.

However we fail to understand why some difficulties remain despite all these instructions. During an impromptu visit last Tuesday at Houari Boumediene airport we witnessed the traditionally distressing spectacle of long lines at the bank windows, while the customs windows were doling out declarations one by one! That is no way for us to have to describe the situation prevailing at the airport during this high-traffic period. However, what is most striking is the spectacle of an idle window, the customs declarations window, and a dozen bank windows jammed with customers during these dog days when a bank line at the airport is a trip through a Turkish bath.

When asked about this state of affairs, the employee at the customs window in charge of handing out customs declarations told us that she was aware of the procedure but applied it only for large families.

Paradoxically those are the people who are the least informed. It is paradoxical that a right meant for everyone is being reserved exclusively for that category alone while high officials intended that this decision expedite procedures and avoid anyone's having to wait in long lines at bank windows, especially during the rush period from 29 July to 5 August.

Another black mark on the operation has not yet been solved, and it is a serious one: the sale of tickets at Air Algerie agencies. To put it bluntly, it's a mess. Each agency is applying the provisions of the decree in its own way. A state of legal confusion reigns here. The agencies do not know exactly who is affected by the payment of transportation tickets in foreign currency.

During our visit to some agencies we received the following information:

- At the Belcourt Air Algerie agency we were told that only minor children less than 19 years old can pay for their tickets in dinars and that everybody else, even unemployed people, have to pay in foreign currency.
- At the agency Air France de Mauritanie we were told the same thing.
- At the ALTOUR agency, located on Rue Didouche Mourad, the representative at the window said flatly, "Only children younger than 12 can pay for their tickets in dinars."

--Lastly, at the "Terminal" Air Algerie agency the head of the agency was firm, at least on the second time around: "Everybody without exception pays for his ticket in foreign currency." "After you went through the first time," he said, "I called the company business office and that's what they told me." Like us, he was surprised that Air France is selling tickets for dinars to children under the age of 19, and he is also surprised that the children of foreigners younger than 19 buy their tickets in dinars while the children of Algerian nationals residing abroad are required to pay for them in foreign currency.

Silence

The Air Algerie business office refuses to make any comment about this. After more than a week's wait, during which they claimed it was a heavy week and they couldn't talk to us, there was a holiday period when no official was present who could tell us anything.

When we demanded a meeting with an official, an anonymous voice told us the next day that no one could see us and could give us over the phone only the following answer from the official: "We have received a circular from the ministry of Finance and we are applying it scrupulously." If there is a circular, it is hard to understand why each agency is applying it in its own way. Even as we are deplored the fact that at this very moment the company is working very hard and there are a lot of problems requiring the presence of officials to make quick decisions--especially the decision to receive a journalist and make a statement to the press--these very officials are going on vacation. Meanwhile, back at the agencies, the employees are faced with problems they cannot solve. This is causing most regrettable situations, even arguments between customers affected by this new law and exasperated ticket agents. Needless to say, the application of this new law requires, at least in its first year, a concerted effort at follow-up in the field and forthright decision-making in order to carry out an operation whose importance and political nature need no further demonstration.

8782
CSO: 4519/271

GULF INVESTORS EXPRESS VIEWS ON INVESTMENT CLIMATE, PROCEDURES

Cairo AL-AKHBAR in Arabic 16 Jun 82 p 3

[Article by Fatin 'Abd al-Razzaq, Raja' 'Abd al-Malik and Madihah Ibrahim: "Ideas of Arab Businessmen on Their Return to Egypt; Solving Problems of Energy Prices and of Approval Procedures for Various Projects; Differentiation in Tax and Customs Treatment According to Type of Project; Speedy Transfer of Apartment Ownership"]

[Text] After an interruption of more than 4 years, 76 Arab investors from the Gulf states have come to Egypt. Some of them have come for the first time to explore the investment climate, others have projects already implemented in Egypt or facing implementation difficulties and some have come with specific ideas and proposals. The aim of all of them is their mutual interest. What do they say and what are their proposals and ideas for creating greater cooperation opportunities and increasing the volume of investments in Egypt?

Al-Akhbar's first interview was with Ahmad al-Du'ayj, chairman of the Gulf businessmen's delegation, who said: "The holding of the conference is in itself a major gain for the two sides. The Gulf businessmen have come to Egypt with a sincere desire to participate in Egypt's struggle for development which is a ferocious struggle taking place under the shadow of the tremendous population growth and world inflation.

[The businessmen could not possibly have come to Cairo in such large numbers unless they were certain of the presence of good investment opportunities and the proper climate in Egypt.

"Figures show that the participation of Arab capital in investment projects amounts to nearly 30 percent of foreign investments. Despite the presence of all the conditions for success, the Arabs, as usual, do not advertise well to attract investments.

"We are pleased that there is a list of projects for which economic feasibility studies have been carefully conducted. Such a list was not available before. This list gives us a broader opportunity to choose and participate and it will be the subject of extensive study by the Arab businessmen."

Results of Previous Experiment

The second interview was with Jawad Ahmad Bu Khamsin, a member of the Executive Board of the Kuwaiti Real Estate Investment Group and of the Egypt-Gulf Bank, who said: "This is not the first time that I have participated in investment activity in Egypt. My projects include a rug production company in the free zone and a housing company. In view of the evident political stability in Egypt, we have come this time carrying ideas and proposals resulting from our previous experience in Egypt. I will sum up these ideas and proposals in two basic demands:

"First, elimination of the complications, and I repeat, complications, present in some government bureaus, especially the lengthy procedures for getting approval, and of the constant change of laws.

"The second demand is to have the Investment Authority conduct its dealings with the mentality of a businessman and not of a government bureaucrat. I also demand that the Investment Authority facilitate the dealings between the investor and the official authorities."

Taxes According to Project

AL-AKHBAR also interviewed 'Ali Yusuf Fakhru, a Bahraini investor and vice president of the Bahrain Real Estate Group, who said: "I urge that the major projects, especially in the agricultural sphere, which requires extensive expertise, be left to the government. The private sector can participate in financing small-size projects in all spheres. The Arabs can thus achieve the economic integration we have been advocating for years. In the oil sphere, for example, we can set up small industries in the Gulf area and export the production to Egypt."

'Abdallah al-Qasimi, owner of one of the major contracting companies in Saudi Arabia, said: "Insofar as taxes and customs are concerned, I urge that each investment project be treated individually, depending on its importance. For example, it is unreasonable for me as an investor to set up a cement plant--and we know that cement is in high demand in Egypt for implementation of construction and development projects--and then be treated the same as an investor who has come to produce a commodity that is not important."

"There is another problem that faces the investment projects, namely, that of the high prices for energy supplied to the projects, thus saddling production with higher costs and, consequently, raising the price of the product and making it unprofitable for the investor. This stops the investor from participating in the implementation of projects."

Bank to Finance Projects

Yusuf al-Darwish, a Qatari businessman, said: "I urge that an investment bank or a joint firm be founded to specialize in financing the projects implemented in cooperation between Egypt and the Gulf states, provided that the capital of this specialized bank be supplied by the Egyptian and Gulf

banks. I also have another opinion regarding the construction of hotels in Egypt. I find, as the officials of the Ministry of Tourism and of the Investment Authority have assured us, that priority is given to approval for the construction of hotels of three-star level and below. I believe that Egypt very much needs five-star hotels. I urge that this type of hotel be given the same priority of approval, considering the large number of tourist groups that come to Egypt, especially the Arabs, who come with their families, and the large number of investors who come and cannot find a room in a luxury hotel or a five-star hotel unless numerous connections and influential people intervene."

Land Reclamation Company

Engineer Mustafa Ahmad al-Ayyubi, a Kuwaiti investor, said:

"We have come to Egypt to seek to achieve "food security" not only for Egypt but also for the Gulf states, which import all kinds of foodstuffs. What encourages us to invest in Egypt is the fact that it has vast lands that can accommodate various projects. It has been decided in our meetings with the Egyptian officials to set up a giant company for land reclamation and agro-industry with a capital exceeding \$100 million. This is a joint Egyptian-Gulf project and part of its shares will be offered for public subscription in Egypt and in the Gulf states. The site of the land has not been determined yet. Personally, I have decided to build a three-star hotel in Cairo due to the lack of such hotels there."

Ibrahim 'Abd al-Fattah al-Du'ayj, a Kuwaiti investor and chairman of al-Du'ayj General Trade and Contracting Company, said:

"I have not yet determined the projects in which I may participate. I believe that the issue requires future meetings to determine the projects Arab capital can undertake and implement."

Face Value of Shares

Hamad 'Abdallah Salman, undersecretary of the UAE Ministry of Agriculture and Fish Resources and vice president of the Executive Board of the Gulf Agricultural Development Company, said:

"This is my first time in Egypt as an investor. The truth is that we have the sincere desire to develop cooperation between the Gulf states and Egypt, the big sister that has a venerable place in the hearts of all Arabs. But I have some suggestions and I hope that the Egyptian officials will work to follow up and develop these ideas."

"For example, the face value of a share is somewhat high in Egypt. Why shouldn't this value be reduced to 1 pound so that a broader opportunity is given to the citizens to subscribe, as has happened in the Gulf states. We have divided the dirham in some companies even though its value does not exceed a quarter of a dollar. There is also the issue of the transfer of apartment ownership. An owner will not wait for me to get the approval of

the Council of Ministers, which usually takes a month or more. I also urge that the law be implemented correctly and without difficulties and modification by the bureaucratic system so that capital can be protected, because capital is "cowardly," as the saying goes.

"As for me, I have decided to set up an agricultural firm headquartered in Egypt and with branches in the various Arab countries to engage in food supply operations."

Construction Materials Company

Dr Hamad 'Abdallah al-Diyami, a physician and member of the Executive Council of the Sultanate of Oman Chamber of Commerce and Industry, said:

"I have come to Egypt as an investor for the first time and I have received every aid and welcome from his excellency the deputy prime minister. He has answered all our queries regarding the percentage of Egyptian participation in the projects, profits, the foundation of banks, insurance companies and joint companies. Personally, I have decided to set up, in cooperation with Egyptian capital, a company for the production of construction materials. The fact is that the Egyptian private sector's participation in our projects is extremely important because this sector has confidence in the development process in Egypt and has the resources to participate."

Yusuf Darwish, a businessman and member of the Consultative Council (Qatari investor), said:

"We have come to explore the situation in this sphere, especially since it has been decided to reconsider all of the laws to insure the interests of both sides.

"We have not yet determined the projects that the Qatari side will finance and implement."

Muhammad Rashid al-Khatir, deputy chairman of the Qatar Chamber of Commerce, said:

"The truth is that we have found the Egyptian officials sincere in answering our questions and queries. We have informed them of our most important demand, namely, the speedy execution of work and not subjecting all phases of the work to the complex bureaucratic measures. We have also told them that the promulgation of a succession of laws in a short period must not affect the investors so that the stability and continuity of their activities in Egypt are insured."

The Qatari investor also raised the issue of the transfer of apartment ownership and the slow issuance of official approval for such transfers.

It Is Necessary to Supply Data

Salim Hasan al-Ansari, a Qatari investor, underlines the need for the Egyptian Government to make clear its concept of the role that the Arab investor can play in the sphere of agricultural and food investment.

'Umar al-Mani', a Qatari businessman and investor, said:

"The truth is that I have come to Egypt to invest in tourism and to familiarize myself with the plan of the Egyptian Ministry of Tourism in this regard."

'Abd al-Ghani 'Abd al-Ghani Nasir, a Qatari businessman and investor, stressed that it is important that officials of the Egyptian Ministry of Industry supply periodic data on the projects proposed for implementation in Egypt in which the Arab capital can participate. He added: "Personally, there are some projects in which I can participate in cooperation with Egyptian capital, such as building a hotel, a hospital, a supermarket with branches throughout the capital or in one or more residential neighborhoods in any of the new cities that are being built by the New Development Societies Authority. But, on the other hand, the Governorate of Cairo has to prepare and supply maps for the city indicating the quarters that have to be rebuilt."

Project Is Idle

Investor Maurice Mitri from Kuwait, along with a group of other investors, applied months ago to set up a company in 10 Ramadan City under the name of the Afro-Asian Electrical and Electronic Industries Company to manufacture various household appliances such as irons, vacuum cleaners, fans, hair dryers, various electrical kitchen appliances, engines for sewing machines, office equipment and other products. The factory has used the help of Japanese and Swiss technical and technological expertise so that its products will be comparable to the latest world products.

Engineer Maurice said that the company's capital is 5.5 million pounds in the first stage and is likely to double in the future in view of proposed expansions. The factory provides nearly 250 job opportunities for skilled workers in the first stage. The project's economic feasibility study has been presented. We have also presented whatever has been asked of us. The licensing committee of the General Industrialization Authority and all the technical authorities concerned approved the project on 30 April 1982. The project is still in abeyance and has not been approved by the Industrialization Authority chairman for reasons that we do not know, even though it falls under the investment laws concerning the new cities. We would like to know the reason for the failure to approve the project. The Japanese experts are waiting for us to summon them so that they can start working immediately.

8494

CSO: 4505/380

ISRAEL SAID TRADING PLO ARMS FOR IRANIAN OIL

Paris AN-NAHAR ARAB REPORT & MEMO in English No 6-26, 9 Aug 82 p 7

[Text]

Iran is buying large quantities of weapons and other munitions captured by Israel from the PLO in Lebanon and the bargain basement prices being paid by the Israelis for Iranian oil are the principal sources of downward pressure on spot market prices, this newsletter has learned from reliable sources. According to the sources, the going rate in this arms-for-oil deal is only \$22 per barrel for Iranian crude and it is noteworthy that Israel has not been lifting its full entitlement of oil from Egypt under the terms of the Camp David peace agreements. Israel, of course, relied heavily upon Iran for its oil during the reign of the Shah; since then, Camp David has guaranteed half of Israel's supplies, a small amount of oil came from Israeli wells and the remainder of demand was met by spot market purchases.

In addition to offering cut-price oil, Iran has contributed to this downward pressure on the oil market by ignoring OPEC production ceilings. Sales of OPEC oil are currently believed to be running at some 18.2 million b/d, which is well above the 17.5 million b/d ceiling set by OPEC ministers in March. One result has been a renewal of attempts to force OPEC producers to set lower prices for long term contract sales. And unlike previous bids to undercut OPEC's pricing structure, there are reports that pressure is now being exerted upon Saudi Arabia, the swing producer in the organisation. Previously, it was OPEC's "high absorbing" weaker members with large populations and a pressing need to sell oil that had felt the heat of sales resistance.

So the Saudis now find themselves whipsawed in two ways, with their fellow members of OPEC clamouring for cuts in the Kingdom's exports and their customers urging them to cut the price of Saudi oil. This was selling at a discount of about \$3 per barrel for Arabian Light on the spot market last week. Oil industry sources say a three-way tussle is going on

between the ministers for oil, finances and industry, with the first two ministries arguing over production and pricing levels and the third ministry worried about the output of associated gas which is removed from the oil and which is now being required for local use in increasing quantities. Other sources say a final desision has been deferred by King Fahd because his time is almost entirely taken up by the twin threats of Iran's invasion of Iraq and Israel's siege of west Beirut. These sources say output from the fields operated by ARAMCO has now fallen from an average of 6.5 million b/d in June to around 6 million b/d but that no move on pricing and production policies is likely between now and the next meeting of OPEC's four-nation monitoring committee scheduled for August 20.

Meanwhile, as a small but unwelcome straw in the wind, Ecuador announced on July 23 that it was cutting its official price from \$34.25 to \$32.50. The new price is for the third quarter of this year for long term buyers, notably Petrobras of Brazil, which is taking 20,000 b/d on the new terms. The move is doubly unwelcome because Venezuela had earlier promised to help its Latin American neighbour by buying unsold Ecuadorean oil.

CSO: 4600/719

SPOKESMAN DENOUNCES BAGHDAD ON NONALIGNED CONFERENCE

Tehran SOBH-E AZADEGAN in Persian 7 Aug 82 p 3

[Text] In connection with the recent claims of the representative of the dependent regime of Baghdad in the Saudi kingdom, regarding accepting the terms of the Islamic Republic of Iran to put an end to the imposed war, a spokesman of the Ministry of Foreign Affairs stated: "The Iraqi regime is in every way possible trying to have the Conference of the Heads of Nonaligned Countries held in Baghdad in order to strengthen and stabilize its political prestige and unstable position. However, the sacrifices of Islamic fighters on the battlefronts and the measures of Iran on the international scene have resulted in some countries calling for a change in the meeting place of the conference or postponing the time for holding it. And, for this reason, there is a great probability of the conference not being held."

The spokesman of the Ministry of Foreign Affairs then added: "The statements of the Iraqi ambassador in Saudi Arabia are for serving the purpose of making a pretense and insinuating the subject that the Iraq regime is peace-loving and wants to put an end to the war by the time the conference is held; and that Iran is looking for an excuse for war and is warmongering and does not want to end the war. In the opinion of the Iraqi regime, Iran wants a pretext to continue the war which will probably result in the conference not being held, which will take it off its hands."

According to this same report, another reason for Iraq making these statements is to look for a way to quiet the internal tension in that country since the measures by the revolutionaries of that country have caused a very insecure atmosphere to be created for the heads of the nonaligned countries; and the continuation of the war also has aggravated this situation. Therefore, in its relations with the Muslim nation which is tired of Saddam's war imposed on Iran, the Iraqi regime wants to pretend that Iraq does not want the war to continue; and that Iran is the principal culprit; thus Iraq is thereby trying to strengthen its own position. In continuing his remarks, the spokesman of the Ministry of Foreign Affairs said: "In the opinion of the government of the Islamic Republic of Iran, the aggressor is the Iraqi regime which started this conflict by attacking and occupying territories of Iran and destroying and looting cities and populated areas of the Islamic Republic of Iran, and is still continuing the aggression."

CSO: 4640/449

NATIONAL ASSEMBLY ACCOMPLISHMENTS LAUDED

Baghdad AL-THAWRAH in Arabic 21 Jun 82 p 9

[Article by Yahya Kazim al-Najjar: "Vice President of the Assembly Reviews the Dimensions of this Democratic Experience"]

[Text] All Iraqis remember those beautiful hours on that sunny June day 2 years ago when they lined up before the ballot boxes to elect their representatives to the National Assembly. On that day they vigorously and exuberantly exercised one of the legitimate democratic rights they had hoped and waited for so many years and finally obtained under the revolution. The election of the National Assembly was a big step forward in the course and practices of the democratic revolution.

In this way, we gained representation in the National Assembly. Yesterday marked the second anniversary of the election of this assembly, a great event in Iraq's modern history.

As we ponder this experience, we pause to consider how it began, how it grew and developed, and what it achieved.

We will learn the answers to all these questions through our visit with Baha'-al-Din Ahmad, vice president of the National Assembly, with whom we discussed a variety of issues and affairs concerning the assembly.

At the beginning, we asked him to define for us the dimensions of this democratic experience which developed under the revolution.

The Vice president of the National Assembly said: "Since its inception, the leadership of the party and the revolution has striven to establish the foundations of democratic relations between the revolution and the people. Thus, our people have exercised democracy in its various political, social, economic and cultural forms. The elections of the people's representatives and the birth of the National Assembly represented a progressive episode in the development of democratic practice. It was a unique and distinctive episode in the history of modern political activity. For the first time in history, a party responsible for exercising authority has allowed its members and adherents to compete with nonmembers through equal opportunities under the law and the creation of equal opportunities for all candidates to engage in election campaigning. This

has been confirmed by broad circles of world public opinion and by representatives of the foreign press, who have witnessed at first hand millions of Iraqis going to the ballot boxes to elect their representatives."

Concerning the assembly's main achievements in the course of its development, Baha'-al-Din Ahmad said: "Since its inception, the National Assembly has been the object of interest and attention on the part of the leadership of the party and the revolution, headed by President Saddam Husayn. Indeed, President Husayn's directives have always emphasized that the assembly must take its place and assume its correct and active role and that it must conduct its tasks in the best possible manner.

"The National Assembly held its first sessions on 30 June, that is, within 10 days after its election. The president opened the first session and delivered a historic speech about the ramifications of the birth of the assembly and the assembly's role in intensifying the democratic experience in Iraq."

The vice president of the National Assembly continued; "Some of the foremost accomplishments of the assembly include Iraq's enrollment in the Arab Parliamentary Union and the International Parliamentary Union, the passage of the bylaws of the assembly, the formation of its eight permanent committees, and the election of the presidents, vice presidents, and reporters of the committees. These committees form the backbone of the legislative affairs of the assembly."

Monitoring State Policy

We asked the vice president of the National Assembly about the role of the assembly and its members in monitoring the state's domestic and foreign policy.

He answered: "The assembly convened several sessions for this purpose. They were attended by RCC member and Deputy Prime Minister Tariq 'Aziz and Foreign Minister Dr Sa'dun Hamadi. The assembly heard an explanation of Iraq's position on the war imposed by the Iranian enemy on our country. The assembly members debated various aspects of the political and military positions and unanimously supported the judicious policy pursued by the country under the leadership of activist President Saddam Husayn. The assembly also appraised the acts of heroism that the soldiers of Saddam's Qaddisiyah have achieved against the racist enemy in our just conflict."

In the area of legislative action, Baha'-al-Din Ahmad said: "Numerous bills were submitted to the assembly. The permanent committees studied, discussed, and offered recommendations concerning these bills. Then they were debated by the assembly. Most were passed, some were tabled, and a few were rejected.

"The assembly also participated in a number of Arab and international parliamentary meetings. These included the second meeting of the Arab Parliamentary Union in Algeria, the spring meetings of the International Parliamentary Union in the Philippines, the 98th Conference of the International Parliamenaary Union in Cuba, the Asian Conference in China, the Arab Parliamentary Union Assembly in Kuwait, and the spring meetings in Lagos."

On Our Just Conflict

What contributions did the assembly make with regard to our holy conflict?

Mr Baha'-al-Din Ahmad said: "From the first day of the conflict, our National Assembly has followed the heroic deeds, fierce battles and victories of our brave army at the eastern portals of the Arab homeland. On a number of different occasions, its members have expressed their pride in these achievements and have affirmed their support and their intention to mobilize all the powers of the masses of the people to aid the conflict, which is a just national and pan-Arab conflict against a greedy racist enemy.

"In addition, members of the assembly have gone on field tours to various areas of the country to explain all the different aspects of the Iranian aggression on our country through mass conferences and other meetings. Another group of members has been sent to most of the Arab countries and other world states. They have held a series of meetings with the parliaments of those states and with state officials and various parties for this purpose. In addition, the assembly had received many Arab and world parliamentary delegations. The full dimensions of the conflict and Iraq's role in the realization of its legitimate and just claims against the greedy and ignorant enemy have been explained to these delegations.

The Assembly and the Laws

The following is a brief review of some of the bills passed, tabled, or defeated by the National Assembly:

1. Some of the laws that were passed:
 - A. General Health Law
 - B. Law Concerning Employment of Iraqis Abroad
 - C. Iraqi Learned Societies Law
 - D. Ministry of Culture and Information Law
 - E. Social Reform Law
 - F. 1982 General Budget Law
 - G. Cooperative Bill
 - H. National Youth Institute Bill
2. Some of the bills that were tabled:
 - A. Law Amending the Civil Service with the Law for the Evaluation of Employees of the State and the Socialist and Mixed Sectors
 - B. Law for the Regulation of the Duties and Rights of Workers of the State and the Socialist and Mixed Sectors.
 - C. Resolution for Transfer of Ownership of the Religious Endowments
3. Some of the laws that were defeated:
 - A. Bill to Insure Personal Responsibility of Members of Offices of the State and the Socialist and Mixed Sectors.
 - B. Abolition of the General Secretariat of the Religious Endowments Administration in the Autonomous Region.
 - C. Tenth Amendment Bill to Legal Profession Law No 673 of 1965.
 - D. Foodstuffs Bill
 - E. Seventh Amendment Bill to the Vital Statistics Law.
 - F. Drivers Education Regulation

INTERVIEW WITH TAHA YASSIN RAMADHAN

Baghdad BAGHDAD OBSERVER in English 1 Aug 82 pp 5-8

[Text]

Q. The Iranian regime claims to have achieved military successes in its recent attempts to invade Iraq. How do you view these claims? What is the polito-military significance of the true outcome of the latest battles fought in the east of Basra sector from July 13 and the Iranian aggression on July 29?

A. We really have no intention to answer to what the officials in Iran say. We all know that the claims of Iranian officials are not only in consonance with their illusions, ambitions and their real situation, but they are also contradictory in nature. Since July 13 and up to now, the results of the battles have been clear. All political and well-informed observers know that the political and military outcome of these battles is obvious because the battles took place in a certain area and at a certain time. The political and military observers and journalists had the opportunity to learn of the nature of the battles and the results, politically or militarily.

We view the results of the battles from July 13 up to now as a logical outcome of the arrogance of Iran's rulers and their miscomprehension of Iraq's positive and

good intentions concerning the decision to pull back to the international borders, and readiness to negotiate and peacefully resolve the problems between the two countries. As a result, the best response was to confront the Iranian aggression with the hope that Iran's rulers would yield and respond to the interests of Iran and to the interests of both countries as well as to the world public opinion, now that the number of those calling for a peaceful solution to the conflict has grown considerably.

Therefore, we are not concerned with figures of Iranian losses and their failure to achieve anything even in land. As for the Iranian losses in life and equipment, the result is well-known. The figures of Iranian losses announced by the Iraqi General Command of the Armed Forces are only a minimum of their real losses.

We believe the implications of these consequences on the internal situation in Iran are tremendous and have a great impact. The result of the recent battles, concerning the internal situation in Iraq, has, in our view clearly raised the morale of the armed forces and the people.

Q. The New Iranian aggression today (July 29th) is certainly a natural outcome of the aggressive nature of the Iranian regime. It seems, until now, that that regime is persistent on aggression against Iraq. Hence, is the leadership in Iraq prepared to take measures, whether political or military, to deter the aggressors? Would the Iraqi armed forces once again enter the Iranian territories, if Iraq's security so requires?

A. Ever since the war began, we have pursued a firm policy: that is, to move toward peace as much as we can, and not to miss any opportunity of mediation and peace efforts which may have any result. This has been clear in the Leadership's and the Revolution's course for two years.

The second phase in this policy has been a constant readiness and mobilisation in such a way as to enable our country confront the aggression for the longest possible period. Any course we follow would not be at the expense of the other, i.e., when we pursue political activities, such activities would not be at the expense of the military options. We would not slow down, or belittle, the importance of military preparedness, because this preparedness, as a principle, is required in all cases. It is more urgently required under this situation we are facing. We are facing rulers with ambitions, rulers who have their own methods, rulers who disregard any interests, including the interests of their peoples, their economy or their country.

We decided to pull back to the international borders and we will remain there to confront any aggression no matter how long the war would last.

Our choice for peace was not adopted on the day we decided to pull out our forces. This choice has always existed, even before the breakout of the war between the two countries.

Q. Most observers notice that there is a kind of collusion-a fully coordinated collusion it seems-between the Zionist aggression on Lebanon and the Iranian aggression on Iraq, particularly as both sides were, and are still, coordinating their joint war machinery against Iraq. The attacks launched by the Iranian regime are in coordination with those launched by the Zionist entity on Beirut in its invasion of Lebanon. How do you view this collusion?

A. We do not want to link this issue to the recent stage or period, where we notice a direct collusion between the Zionist invasion of Lebanon and the continued Iranian attacks and attempts to enter Iraqi territory. But this collusion, at this particular time, has actually provided practical evidence for the people who had been misled over the fact that coordination exists between Iran's rulers and "Israel" and the treacherous role of Hafez Assad.

It is also an evidence and a response, taking cards off the hands of people who understand this situation but they are part of this conspiracy. We understand, and so do the forces of good in the region, and the Arab people as well, the relationship between the rulers of "Israel", Iran and the ruler of Syria.

Thus the decision taken by the Leadership to withdraw to the international borders has come to take this card off the hands of Hafez Assad, as well as certain Palestinian organizations and certain Arab political organizations who claimed that they stood on the sidelines or supported the Iranian side because the Iraqi forces were inside Iranian territory and that the Iranian government was "standing alongside with the Arab people to liberate Jerusalem".

Although we were fully confident that these were mere pretexts to justify their treason, we did take this decision. After the continuation of the Zionist aggression, the Syrian rulers, sitting on the fence, withdrawing their forces and refusing to support the Palestinian revolution and the Lebanese people, whom they suppressed for years in Lebanon, now say that their presence there is not for confronting 'Israel'. I wonder

what for they are there, if not for confronting 'Israel' !. Now that Iraq withdrew to the borders and declared peace, it was an opportunity for the Iranian rulers, if they were real allies of the Palestinian revolution, to show this in practice, and not in the stupid way of sending several hundreds of volunteers who are now wandering about in Damascus streets showing off but not participating in the battle. Some of them entered Lebanon for the purpose of subversion and arresting certain Christian religious leaders to sow sectarianism in Lebanon in addition to what the Zionist elements are doing. What is important is not this concurrence of events, at the present stage, as it is not the only evidence of the intentions and expansionist ambitions, of the rulers and 'Israel' against the Arab Nation.

We have been aware of this since the beginning, but the recent stage, or more precisely, the forty days, have given an indication that removed any confusion or doubt or any cover which certain Arab traitors tried to exploit to continue their treason.

"What took place in Lebanon, and the stand of Iranian, Damascus and Libyan rulers, is a new disaster. But I consider this useful to expose those traitors who have played the main role in all these disasters who have played the main role in all these disasters and disunity in the ranks of the Arab Nation. So, no one will any more be cheated by the slogans raised by these traitors.

The Steadfastness and Confrontation Front held meetings on everything from the beginning of its establishment. But it did not hold a meeting on the Palestinian cause, for the sake of which it was founded. It convened more than

one time on the Iraq-Iran war and declared its support for Iranian aggressions against Iraq. One week before the Zionist invasion of Lebanon, the Front convened and issued a statement condemning everyone supporting Iraq, but this front has not been able to convene on the issue for which it was founded.

"Despite the losses and disasters which were a result of the fragmentation in the Arab situation, I consider this useful because it cleared the ambiguity and attempts of misleading which existed in several circles of the Arab Nation.

"It is imperative that the Palestinian revolution review its policy, strategy and tactics, which were one of the reasons responsible for taking it to the present situation. The Palestinian revolution has discarded most of those who are faithful and has allied itself with traitors like Assad and Gaddafi.

"We think that something new should come out from inside the Palestinian revolution, something genuine which would remove all these phenomena that pushed the Palestinian revolution adopt working means that kept it far away from its main objective. It has allied itself with the real conspirators against the Palestinian revolution.

Q. Mr First Deputy Premier, in this connection I recall that at the beginning of the Lebanese war, I read about Zionist attempts to create sectarian entities in the area starting from Bekaa and ending with Basra. Among those who exposed these attempts was Deputy Raymond Edde. Of course, the recent coordination between the Per-

sian regime, after Khomeini's assumption of power, and the Zionist invasion of Lebanon have made these attempts more evident. I wonder how you would analyse this topic.

We should not talk much about sectarian issues and entities because the analysis of a sensitive topic of this kind would eventually

lead to established formulae in this field. The important thing for us is that the Zionist entity was founded to expand with declared and well-known objectives, it is only us (the Arabs) who doubt these objectives. The Zionist enemy clearly states that its borders are from the Nile to the Euphrates. Yet some rulers call for negotiating with 'Israel' hope that 'Israel' would withdraw. Of course this is an illusion and this is the course adopted by the defeated and by those who don't have confidence in their nation and their capabilities.

The intentions of 'Israel' and also those of Iran are to expand at the expense of the Arab Nation. Both agree on the main objective of making the Arab nation the breeding ground for their desires and greedy ambitions. Their intentions are very clear because they say that the doors of all Islamic countries are open before them, particularly Iraq and the Gulf. They have supported these intentions with actions, whether in launching war against Iraq, in conspiring against Bahrain and other attempts made by the Iranian rulers.

As for the 'Israel' it has declared and well-known ambitions claims shared by the Iranian rulers. We believe that the enemy will try to achieve them by all means whether by the military occupation or attempts to dismember the nation by establishing sectarian entities. All these are means, which would lead to weakening the nation and to enabling the enemies to achieve their ambitions.

The important thing is what the Arab nation and the Arab people should do, to prevent the achievement of these intentions and this conspiracy. What is required is to follow all means which prevent the implementation of this scheme because the Zionist enemy and Iran want to establish sectarian states not merely for establishing them but for specific objective. What is important for us is this objective and the expansion at the expense of the Arab nation. They finally follow any means without any strain to achieve these objectives, and we should not be surprised. However, we should not try to talk about the sectarian topic because it is a sensitive one.

Q. The Arab situation, as described by President Saddam Hussein, is deteriorating, even collapsing. This reminds me of the President's statement in February, 1980, announcing the National Declaration. What is your comment on the deteriorating situation? What is the

leadership's view ? What are the solutions towards achieving a true Arab solidarity ?

In this case, there is no ready-made formula, called solution, particularly as it does not concern a certain party. The Arab nation comprises 22 states. When the President announced the National Declaration in February, 1980, the statement or the idea was not based on a vacuum. It was based on the views of the Leadership and the Party in Iraq and their view of the deteriorating situation in the Arab arena and relations which threatened to explode. The Declaration was bound to save the nation from these threats and re-establish confidence and unity. When the Declaration was announced, there was a semi-state of fighting between Arab countries in the western part of North Africa, fighting in the Horn of Africa and in the Arab Peninsula besides intentions to fight in other regions. The Declaration came to confront major threats facing the nation, similar to threats that we are witnessing now.

Naturally, the only thing, as a general principle, that could restore the capabilities of the nation was closing the Arab ranks. However, closing ranks must be based on clear principles and objectives, not a mere unity which would result in more acquiescence and capitulation. Certainly, any Arab agreement, however minimal, is necessary. This, however, requires a serious and brave stance. The President referred to this fact in his speech in July.

We believe it is a misconception to transform such an agreement into a cover-up and a justification for the treason of some rulers. There is a very serious danger in this. Such an agreement should be based on an assessment of the situation, detection of the negative aspects and views of the future, however minimal, to overcome the bad circumstances the Arab nation is undergoing.

Q. Are there any moves in this direction, such as a call by Iraq ?

A. No, there is no call.

Q. Is there a call for an Arab meeting ?

A. The Arab summit is there, but suspended. There is no need for a call by Iraq. If there is no agreement of work within the general framework of a meeting, what is the use of meeting ? If meeting does not ensure a minimal success, it is better not to be held because this would mean more division.

Q. The Iranian regime, having transferred some divisions from the borders with Soviet Union and used these divisions in the aggression against Iraq, has raised speculations in some Arab and foreign newspapers regarding the Soviet Union's role in the Iraq-Iran war. Do you think that the Soviet Union had deviated from its neutral stand it had adopted towards the conflicting sides ? How do you view the remarks made by some analysts that the Soviet silence or encouragement of the latest Iranian aggression is the counterpart of the American role in supporting the Zionist aggression on Lebanon which is part of the plan to divide spheres of influence between the two super powers ?

A. This is not true. The withdrawal of Iranian troops from one zone to another has nothing to do with the Soviet Union's stand, and those making these marks are only spreading doubt and subversion. We in Iraq have not doubt whatsoever on this issue and we are not asking the Soviet Union to fight with Iran on another front on our behalf, because this is not the logic we accept. We still regard the Soviet Union as a friend, and we have made great strides in as far as the mutual relations are concerned. We also hope to achieve more in this respect. As for the United States' stand, it is still a disgraceful, dubious and hostile stand with regard to Iraq and the Arab Nation, through its absolute bias towards the Zionist attack on Lebanon or helping Iran militarily through a third party or by other means. We cannot compare between the Soviet Union and the United States at least when we take their views towards the Arab nation.

Q. As Commander-in-Chief of the Popular Army, could you give us an idea about the role of the Popular Army in the battle ?

A. I think we have gone a step beyond describing the task of the Popular Army, not only for the long time since it was founded but also for the serious contribution of its units side by side with the armed forces during the past two years. The Popular Army at this stage is an integral part of the armed forces and an ever ready reserve to support the armed forces, thus enabling them to carry out their major tasks. The Popular Army now assumes an important role on the battle front and in all positions. When our armed forces were on Iranian territory the Popular Army was there. Now the Popular Army is with our armed forces on the international borders with Iran, in addition to its role in the home front. Now we can say that the Popular Army has become part of the regular armed forces not only as a reserve force.

Q. What is the volume of international response towards Iraq's invitations to the 7th Non-aligned Summit ?

A. We believe that despite the war and attempts by antagonistic forces there will be an excellent response. So far there is no indication of any refusal except for Iran and Syria. However, we cannot determine the number of countries to attend the Summit at President level, since it has to do with the country concerned. Our preparations for the Summit are excellent, our various facilities are all ready and I believe that Iraq will set an example when compared with preparations for previous summits. We are optimistic about Iraq providing the best in this respect. This is very important because Iraq is keen to see the Summit yielding positive results which would lead to enhancing and consolidating the role of Non-alignment on the international plane. This keenness is not mere slogans but is a result of the behaviour of every member country of the Movement which Iraq is part of and will play host to its 7th Summit.

Q. Has Iran been invited to attend the Non-aligned Summit? Do you think that Iran's hostile acts towards Iraq and its threats to Islamic and Non-aligned countries would affect the response to Iraq's invitations to attend the Summit?

A. Iraq, has invited all member countries including Iran. As for the effect of Iran's calls not to hold the conference in Baghdad and the level of response of member countries has to do with these countries' stand. However, so far the response from all member countries is excellent except for Iran and Syria. All member countries should be keen to see this Summit succeed, because Iran's calls to call off the Summit will affect the Movement itself and its objectives. Therefore, the Iranian calls should be condemned.

Q. Iraq, through its decisive measures to put an end to all claims of the Iranian regime and those who support it for prolonging the war, has created the appropriate climate for mediation between both sides. Do you see any move from the mediating committees, Non-aligned and Islamic, to exploit this opportunity and continue their attempts?

A. Until now, there is nothing exceptional going on apart from the Security Council resolution which came as result of Iraq's decision to withdraw to the international borders.

On the other hand, the intransigence of the Syrian and Libyan regimes shows their alliance with the Iranian enemy, their treacherous stand towards Arab issues and their role in the imperialist schemes to undermine the future and sovereignty of the Arab nation.

These regimes' excuse of the presence of Iraqi forces on Iranian territory was only a cover up and pretext for their treacherous stand and we did not expect them to change their position after the decision to withdraw our forces to the international borders, since treason cannot be of various degrees.

However, what was important about the decision is that if some rulers or citizens or organizations that had been satisfied with this justification and did not want to classify these regimes as treacherous are in the picture now. These rulers have a shameless role to play and in which they have excelled. The Libyan ruler, who claims he is the father of Palestine, has the nerve to say that his geographic position does not allow him to take part in Lebanon and has the nerve to ask the Soviet Union and East Germany to send armies in support of the Palestinian revolution. If someone reaches this level, we cannot let him take part in making decisions.

The same thing applies to Syria's ruler, who accepted the aggression days before hand, announced that he would stand by the Palestinian revolution and Lebanon. We saw how he withdraw his troops and accepted a ceasefire before consulting with the PLO, forgetting his claims to have formed a united political leadership with the Palestinian revolution.

Now, after 40 days he is standing there watching the massacres in Beirut and other Lebanese cities while still deliberating with the American envoy and other parties covertly and overtly. Such a ruler has nothing to be ashamed of.

Q. Despite with withdrawal of Iraqi forces to the international border, the regime in Tehran still insists that one of their conditions is the withdrawal of Iraqi forces from Iranian territory. How do you explain this?

A. In fact I have no explanation. Such claims do not compel us to find explanation for them, we say these rulers have ambitions in Iraqi territory; therefore, they try to raise doubt over any measure they think is bound to weaken them before world opinion. In a nutshell, we welcome anybody who would like to come and see whether we are on our international borders or not.

Q. Has the austerity programme affected the manifold implementation of the enormous development plan witnessed by the country at present?

A. Frankly, up to now austerity has not assumed full dimensions. All of us and all the people are required to take further measures, especially after two years of the war. There are countries which, after a one-week war, incur inflation and run into deficit they can't overcome in ten years. Two years of war have elapsed and I still think we have not resorted to full-scale austerity. Up to now, strategic projects related to central objectives have not been affected. If we could give austerity its full dimension, we would them gain additional time so that the central objectives of the plan might not be largely affected.

Q. A report for a Reuter correspondent in Baghdad said the recent Iranian aggression helped increase stability and that even the unaware Iraqi citizens are fighting more ferociously. How do you comment on this?

A. This is true. Everything has become clear for the citizens who could have been affected by rumours or by propaganda. This is important because we are concerned with citizens in Iraq and in the Arab arena. When citizens are aware of the facts, our hopes will lie in them and not in the rulers who know the fact but act against it, for they are part of the designs aimed against the nation. We have no hope that measures would reform Gaddafi or Assad. Our hopes lie in the Arab people when they know the fact. This is the only guarantee to the true measures. I can say that the morale and confidence of the Iraqi people are even better than they were in the first week of the war. This is an invaluable issue.

Q. Has the Iraq-Iran war affected the role of foreign companies in implementing Iraq's development plan?

A. On the contrary; we aspire to achieve more projects. During the war, reliable companies had a

wider role, a greater activity and competition was greater than the pre-war period.

Q. Did the participation of large sectors of Iraqi people in defence of the country against the Iranian aggression affect the level of implementation of development projects?

A. Not at all. The level of implementation of the Development Plan was higher than that of the pre-war period. But, naturally, it meant an increased employment of Arab and foreign manpower.

Q. We are now celebrating the July 17-30 anniversary. We would like your excellency to recall your memories of July 30, 1968?

A. This is a long topic. In my view, July 30 cannot be separated from July 17. This is why we are used to calling the Revolution, the 17-30 Revolution. Had it not been for July 17, July 30 would not have come. And certainly without July 30 taking place, then the future of July 17 would have been opaque. It was a continuous revolution which was not achieved at the zero hour, but took the period from 3 o'clock early morning of July 17, to 3 o'clock in the afternoon of July 30. One may feel satisfaction when the image is perfected, compared with one's worries at the first hours. This is true, because what happened at 3 P.M. on July 30 was to remove major obstacles which would have foiled the revolution. Certainly, the psychological impact was tremendous in the hearts of the revolutionaries. We may say that the psychological impact was greater than that felt in the morning of July 17. At the same time, the span of time between July 17 and 30 was short. It was an expression of the awareness and farsightedness of the political leadership and its experience of Ramadhan Revolution of 1963. We can say that the method in which the revolution was carried out put the revolution on the right course for the coming stage. Therefore, it was an integral part of the Revolution as a whole, and an outset for July 17 Revolution. Like other officials in the lead-

ership, I had the honour of completing the Revolution. July 30th could have been 21st, 23rd, 27th or 29th. But it took place on the 30th. There was keenness to quickly implement this step, because there were possibilities of threats to the Revolution. Therefore, the idea was in mind from the first day and work was going ahead to implement it with the highest degree of success without taking too many risks. And this is indeed what happened.

I personally, days before July 17-30 at sunset, used to consider that as one time, because the atmosphere for preparation (for the revolution) was the same. With the lapse of time, worries might increase. That was the motive for working harder. During that period I used to sleep for two hours only. In certain days we used to sleep more in order to achieve more to realise the ultimate aim or the decisive step. The efforts exerted were even more than those days or even weeks preceding the 17 of July Revolution, simply because the danger was more obvious than we had felt before July 17. Before July 17, it was possible to postpone that date but when the moment came we found that any delay in carrying out the final step would expose us to danger.

Q. How do you view the document signed by Yasser Arafat concerning the UN resolutions on Palestine?

A. I would like to say that we are hopeful that world opinion and international organisations following the Zionist aggression against Lebanon and the Iranian aggression against Iraq, would take a honest and humane stand on the side of Arab people, and not stand idle. The stand will certainly have its wide repercussions in the future, not only in the framework of the relationships between the Arab nation and those countries and organisations but also in the stands they adopt towards similar events in other parts of the world. This is a precedent

which would encourage countries, organisations, and chavennistic trends to assume another dimension and continue on the same line. It has become crystal that aggression against the Arab nation aims at its sovereignty and dignity. It is not as Iran claims that it wants its territories and 'Israel' claims secure borders. The latest onslaught vindicates once more that 'Israel's rights' to live within secure borders were merely allegations. What is required, then of these countries and organisations is to take a humanitarian stand. There remains one thing, this is, in Iraq we depend totally on our capabilities and potentials and not on any foreign power.

Q. How can you evaluate in general terms Iraq's relations with the eastern bloc, Europe and the United States.

A. I have no specific evaluation in mind, but I can compare our relations in this respect before and after the war. Our relations with many of these parties have improved in many aspects, unlike what happens when a country enters a war where its relations would be limited and reduced in many fields. Our relations with Western Europe have expanded in the economic field and even in certain political aspects.

As far as our relations with the socialist countries are concerned, I can say that they continue and in some of their aspects, with certain countries improved, in compari-

son with the year before the war.

Our relations with Latin American countries are developing. We believe that the political efforts exerted, despite the circumstances imposed by the war, were fruitful in maintaining our relations on more than one level and its development on more important levels despite many attempts by others to impair these relations. Here I am talking in general terms but when dealing with details this is not sufficient. There might be one, two or even four countries with whom we maintained better relations. But during the war they revealed their true nature; they shifted their stances. We found that Iraq developed better relations with a number of countries after the war than before the war.

Q. Is it true, according to some reports, that Iraq will re-establish relations with the United States ?

A. We do not comment on rumours reported by the media.

The media wrote a lot about this subject and the question was even raised during one of President's press conferences. Our basic principle is to have relations with all countries and the severance or the rupture of ties is the exception. When the reasons which led to the severance of relations with the United States are eliminated or removed the relations will be restored. This is quite natural. America in this concern is more responsible than we are. Therefore, any conditions or opportunities which help remove this state we will never hesitate to restore relations and this is quite natural in the international forum. How can we help and be helped if we do not maintain relations with the rest of the world. Every country has its own policy and internal programme. Our relations with other countries does not mean that we agree with them on every point and the same thing applies to them.

CSO: 4400/431

RAMADHAN TAKES PART IN DISCUSSIONS ON AGRICULTURE

Baghdad BAGHDAD OBSERVER in English 14 Aug 82 p 4

[Text]

Mr Taha Yassin Ramadhan, Member of the Revolution Command Council and First Deputy Premier, has said the Ninth Regional Congress of the Arab Ba'th Socialist Party has adopted the working paper of 1980 as a programme for the agricultural sector.

Speaking in a meeting held on Thursday to discuss a working paper presented by the State Organization for Fisheries, Mr Ramadhan said every state organization should have a working paper to discuss and to evaluate the work so far carried out, and to study proposals and new work formulas within the context of the central objectives achieved.

Mr Ramadhan said: "Some wrongly believe that any agricultural activity other than that of state farms, cooperatives and societies, has nothing to do with socialism" He stressed that such belief is

contradictory to the socialist theory and is deceptive. He said any agricultural method applied by citizens to increase and improve the output without harming others is the best example of socialism.

Mr Ramadhan explained that socialism in agriculture means preventing exploitation of man by another, and the provision of decent life for citizens. He added that decent standard of living for people, whatsoever, is not a loss, but is a factor which leads to consolidating the national economy and progress.

Mr Ramadhan expressed his appreciation of the proposals submitted by fish breeders working in the private sector to promote and increase fish production.

At the beginning of the meeting, Dr Ismail al-Azzawi, Undersecretary of Ministry of Agriculture and Agrarian Reform for Animal Products,

had read the working paper of the State Organization for Fisheries. The working paper went through methods by which fish breeders obtained facilities for production, their responsibilities toward agricultural offices and projects for developing private sector farms.

The paper also tackled the present situation of private breeders and called for meetings devoted to giving advice and guidance in fish breeding, farm management and increasing productivity.

At the end of the meeting, organized by the Ministry of Agriculture and Agrarian Reform, the participants reviewed and discussed obstacles facing fish breeding, means of promoting production and providing facilities for all stages of fish projects, starting with licensing and ending with marketing.

The meeting was also attended by Minister of Irrigation, Mr Abdul Wahab Mahmoud, Minister of Agriculture and Agrarian Reform, Mr Sidiq Abdul Latif Younis and a number of officials from both ministries.

INDUSTRIAL BANK ACTIVITY UP OVER PREVIOUS YEAR

Baghdad AL-JUMHURIYAH in Arabic 19 Jun 82 p 7

[Article by Sami Hasan: "Increasing Levels of Financing Industrial Investments By the Industrial Bank in the Private and Mixed Sector"]

[Text] During the first half of this year, the industrial bank increased the volume of its investments by 10 percent over the same period last year.

Its figures show that the banks activities achieved rising levels, despite the circumstances of the just war which the country is fighting, because of its participation in the capitalization of the mixed industrial sector.

Increased Investments

Statistics show that the increases recorded in the bank's investments confirm that development activity has not been negatively affected by the war and the industrial development process is continuing normally.

Loans of 9 Million Dinars

With regard to increases in the areas of loans and banks advances, the amounts of requests for loans made to the bank during the first half of this year amounted to more than 6 million dinars, making an increase of 92 percent over the same period last year. The amounts of requests totaled about 3.25 million dinars while the number of medium and long term loans approved during the first half totaled 208 loans compared with 165 for the same period of 1981 or an increase of 42.5 percent. During the first half of this year medium and long term loans paid out totaled 186 loans with a total value of more than 3 million dinars, compared with 170 loans with a total value of 2 million dinars during the first half of last year, an increase of 34.4 percent.

Sums loaned during this year in installments on loans due amounted to 1.967 million dinars compared with 1.434 million during the first half of last year, an increase of 10.3 percent.

Baghdad Governorate occupied first place in loan requests submitted during the first half of this year accounting for 46 loans representing about 25.1

percent of total amounts. Nineveh Governorate was second with 33 loans comprising about 22.6 percent of total amounts.

Financing Institution

It should be noted that the industrial bank of the Ministry of Industry and Minerals is viewed as a specialized financing institution for financing industrial investments in the private sector and assisting in investment of specific capital in the mixed industrial sector since its operation is programmed within the framework of the national development plan. It also provides financial support for newly established projects in private activity by loaning the sponsors of these projects high ratios of operational capital.

8389

CSO: 4404/556

FUNDS FOR PROJECTS INCREASED

Baghdad BAGHDAD OBSERVER in English 17 Aug 82 p 4

[Text] Allocations for a number of service projects currently implemented in Dhiqar Province have been increased in order to hasten their implementation.

It was also decided, after a meeting of heads of the Province departments, presided by Mr Sa'di Ayyash Ureim, Minister of Local Administration, to allocate residential pieces of lands for the staff of the State Organisation for Implementation of Southern Roads and Building, a new road in al-Nassirya, three kilometres in length, and one hundred metres wide in addition to covering swampy lands.

The meeting, which was attended by Mr Majid Hamid al-A'id, Dhiqar Governor, and Senior members of the Arab Ba'th Socialist Party, discussed the activities of local administration offices and means to develop them.

The Minister, referred to the outstanding efforts made in the implementation of a number of other projects in a short period of time. He called for hard work in order to achieve more projects in a shorter time.

The Minister, had earlier participated in a work drive in Sumer, al-Mansouria, al-Thowara, al-Salehia and al-Sharqia areas and other suburbs in Baghdad to pave and repair roads and develop public parks in them. Senior Party members also took part in these campaigns.

The Minister held a similar meeting in Muthanna Province hall, attended by Muthanna Governor, members of the People's Council, a decision was taken to allocate pieces of residential lands for the staff of the local administration offices.

CSO: 4400/431

AID FOR AL-BASRAH'S AGRICULTURE INDUSTRY

Baghdad BAGHDAD OBSERVER in English 14 Aug 82 p 2

[Text] Basra is well known for its various agricultural products, and the agricultural sector in this province has grown rapidly as a result of the efforts of its local institutions which, over the last fourteen years, stepped up efforts to improve agricultural production.

The Directorate of pest control, among others, has contributed to the preservation of agricultural wealth.

Mr. Hussein Al-Zaidan, director of pest control stated; "Protection as a scientific concept implies the combatting of natural perils or diseases which are

likely to infest crops. This provides the conditions required for sustaining agricultural output and the expansion of cultivated areas of land". "My department is available to give service and guidance, and it is responsible for developing agricultural production. It is empirically true that agricultural progress depends a great deal on the volume of actual investment and the availability of human resources. The Revolution has spared no effort in this respect. Accordingly, individual farmers and cooperatives were enabled to contribute effectively to the attainment of a steady growth rates of production in this sector. The practical experience acquired and the results of numerous agricultural congresses have helped this department to make tangible progress, and this can clearly be seen in the outcome of agricultural plans implemented during the last few years.

"The special tasks of this directorate cover three main aspects; fighting agricultural disease and pests; multiplication of useful insects, and the enforce-

ment of quarantine rules. Special teams have been trained to combat harmful insects periodically, usually in late spring every year. An area of 31,000 donums of agricultural land has been covered by the activities of these teams.

"Palm trees have also had their part in the directorate's programme. Tomato farms and other crops have been treated by the combat teams which have visited more than 800 farms in the regions of Zubair and Safwan.

"Our activities have encouraged the farmers to invest more in terms of human effort and materials, which of course has led to positive consequences for the national economy.

"Encouraging useful insects is a particular activity", he added "Production of bee-hives has been expanded and they are sold to breeders at reasonable prices.

"The directorate maintains teams specializing in bee-breeding. These teams extend their services to private breeders and make scheduled visits to their farms. Currently, there are 85 pri-

ivate breeders in Basrah each possessing more than 350 bee-hives. These hives produce approximately 3 tons of honey. Among the advantages of useful insects is the fact that they contribute to the province's agricultural output. It has been proved that a field maintaining bee-hives could accomplish 30 to 50 percent increase in its agricultural productivity.

AUTONOMOUS REGION PROJECT COMPLETIONS

Baghdad AL-THAWRAH in Arabic 13 Jun 82 p 7

[Text] The General Secretariat of the Internal Affairs Administration of the Kurdistan Autonomous Region has completed construction of three buildings for official offices, a police station, and two residential homes for civil employees at a total cost of 541,000 dinars.

The administration is currently implementing 32 similar projects at a total cost of 6.548 million dinars. Nine of these projects are in Irbil, 12 are in Dahuk, and 11 are in al-Sulaymaniyah. The projects include 16 government buildings, 3 police stations, 6 fire stations, 4 houses for persons affiliated with the state, 2 buildings for the border commissariat, a meeting hall, and a headquarters building for the General Federation of Women of Iraq.

The Dhi Qar Water and Sewer Department has completed projects supplying water to the villages of Sab'ah Nisan and al-Fatahiyah in the district of al-Shatrah.

It has also completed the installation of two 250,000-gallon systems in a project encompassing 14 villages in the Umm al-'Ajul area in the same district as well as the installation of another 250,000-gallon system in the al-Nasr area to ensure a supply of pure water to the citizens of the area.

The General Water and Sewers Organization has begun construction of the Qal'at Sukkar water project, which has a capacity of pumping 630 liters per hour. This project will supply the villages of 'Akil, al-Bunzal, and Markaz al-Qal'ah with pure water. The organization has also begun work on installation of a 250,000-gallon system in al-Daqiqah in the same district.

The organization will also begin installation of 250,000-gallon systems in the areas of al-'Ukaykah, al-Tar, al-Fadiyah, and al-Karmashiyah.

The Dhi Qar Water Department has installed water systems in the economists' and lawyers' quarters and has completed a 400-house system in the city of al-Bakr. It has also replaced broken lines and carried out maintenance operations on the systems of the area.

On the same topic, the department of the municipalities of al-Muthanna governorate has completed a project to supply untreated water in al-Samawah.

This project, which cost a total of 100,000 dinars, connected systems consisting of 12 kilometers of water lines. The project distributes water to the areas of al-Sharqi, al-Gharbi, Hayy al-Jumhuri, and al-Qashlah.

The project is aimed at ensuring the necessary water for watering the citizens' gardens and for general uses.

8591
CSO: 4404/541

AMBITIOUS ROAD PROJECTS UNDERWAY

Kuwait ARAB OIL in English No 8, Aug 82 p 78

[Text]

IRAQ's State Organisation for Roads and Bridges seems determined that its enormous road construction program should proceed undeterred. In fact the Organisation's budget increased to 1,620 million dollars last year, from 1,023 million in 1980.

The largest current road project in Iraq is Expressway Number One, under construction to ease lines of communication. Particularly between its neighbours Jordan and Kuwait, whose ports of Aqaba, and Shuwaikh and Shuaiba are all important since Iraq's only sea ports, at Basrah, were closed in 1980.

Expressway Number One will connect Jordan, Syria, and Iraq and Kuwait, running for a total of 1,200 kilometers. The cost of the project, which was last year estimated at 1,500 million dollars, has since almost doubled, according to the latest available figures from Baghdad.

The project got underway in 1979, with Yugoslavian firm Union Engineering Autoput contracted to build the 106 kilometer stretch from Baghdad West to Hilla. This section is expected to be completed this year, at a cost of 225 million dollars. Consultants for the entire Expressway plan are Dorsch Consult of Munich and Al-Kazeb of Baghdad.

Later in 1979, the contract for the 137 kilometer Baghdad to Hit section, was awarded to Marubeni Corporation of Japan. Again, this section is scheduled for completion this year.

Contracts

In January 1980, French company Dragages et Travaux Publics, was awarded the 76 kilometer section of road from Hilla to Diwaniya, at a cost of 225 million dollars. This was followed by a 144 kilometer section from Diwaniya to Nassiriya. This contract was awarded to the Construction and Development Corporation of the Philippines, and is worth 285 million dollars.

From Nassiriya the highway stretches to Rumalia, across the famous marshlands of Southern Iraq. The 145 kilometer stretch was awarded to Dromex of Poland in late 1980.

Valued at 266.4 million dollars, this section is expected to be completed in 1983.

In April 1981, contracts for the final sections of the highway were awarded to West German contractors Bilfinger and Berger-Dyckerhoff and Widmann. The contracts, worth 456.9 million dollars, cover the sections from Rumalia to Safwan, 86 kilometers, and the 26 kilometer Rumalia to Basrah spur road. From Safwan, the road will extend to Kuwait by the time of completion in 1984.

Second stage

The second stage of the Expressway, comprising the Jordan, Syria link from the West of Baghdad, was awarded, in February 1981, to Mendes Junior of Brazil. Mendes are contracted to build the 129 kilometer section from Hit to Tullaha. This contact is valued at 246.6 million dollars. The 137 kilometer section from Tullaha was awarded to Polensky and Zoller of West Germany, and is worth some 318 million dollars.

In September last year, Korean contractors Hyundai were awarded the 328.5 million dollar contract for two final sections of the highway. A 142 kilometer section from Rutba to the Jordanian border, and a 90 kilo-

meter section running to the border of Syria.

Expressway Number Two runs North from Baghdad to Mosul and Zakho on the Turkish border. Consultants for the project, which is divided into five sectors, are Cowi-Consult of Denmark. Tenders for the various sections are expected to go out later this year.

The first stage of a six-lane highway, called the Abu Ghreib Expressway, is also under Cowi's consultation, with Britain's Maunsell and Partners handling stage two. Construction contractors for the two stages were awarded to Kier International of Britain and Musaed Al-Saleh of Kuwait. Subcontractors are Samsung Construction of South Korea. Stage one of the Expressway will stretch for 23 kilometers, at a cost of 192 million dollars.

Projects

Other Iraqi road construction projects include the 128.4 million dollar Army Canal Interchange in Baghdad, also designed by Maunsell. A 27.6 million dollar Palestine Street Flyover, awarded to Nobels Peelman of Belgium; and the 205.5 million dollar Baghdad Airport Road Expressway, awarded to West Germany's Weiss and Freitag. The State Organisation for Roads and Bridges awards most road contracts, however Baghdad Municipality, the Amnat al-Asima, is responsible for the aforementioned projects.

The Directorate of Rural Roads is the third group handling road construction contracts. At present the Directorate's own construction group is building a 380 kilometer, trans-desert stretch from Samawa via Salman to Bazeya. The project is valued at 138 million dollars.

CSO: 4400/431

STEPS TAKEN TO ENFORCE COMPULSORY EDUCATION

Baghdad AL-JUMHURIYAH in Arabic 17 Jun 82 p 7

[Article by Shura Muhammad Shabib: "Organizing at Ministry of Education to Absorb Children Covered by Compulsory Education"]

[Text] In order to implement the compulsory education law for children born in 1976 and covered by the law, to organize their enrollment in primary schools during the coming school year and to facilitate implementation of the law that is viewed as one of the gains of the glorious 17 July Revolution, the Ministry of Education has adopted a set of measures and has issued a number of decisions in this regard. Among the measures the ministry has adopted recently are: Formation of a central committee in each governorate chaired by the governor and including as members the director general of education, chairmen of administrative units and assistant directors general of education for planning affairs to oversee implementation of the law and to monitor its application. It will have sub-committees in each administrative unit chaired by the chief of the administrative unit and including as members educational supervisors in the sector subordinate to the administrative unit along with a number of members of educational bodies whose names will be determined by the educational supervisors.

Those committees will run surveys to count the children born in 1976 who are covered by compulsory education and to submit the totals to the committee formed in the governorate headquarters. The survey and count are to take place during July.

The sub-committee will allocate the covered students to nearby schools in accordance with lists posted in prominent places in public areas, schools and directorates of education. Parents and guardians of children will be notified of that and must contact the schools to register their children prior to the start of the school year and during the summer holiday. This will be done during August. These committees will also confirm that all children covered by the law are enrolled in elementary schools at the beginning of September and will ascertain the number of children who have not been enrolled and the reasons for that. The results will be submitted to the committee formed at the headquarters of each governorate. The ministry has decided that the committee formed in the headquarters of the governorate will consolidate the totals produced by the survey and count

and send them to the Ministry of Local Government, with a copy to the Ministry of Education, no later than the end of the month of August. The central committee in each governorate will consolidate the total enrollment of children covered and send them to the Ministry of Local Government and the Ministry of Education no later than the end of October.

The ministry also stressed the need for monitoring the children covered by compulsory education in the governorates by the subcommittees to have them enrolled quickly and easily in the schools.

8389
CSO: 4404/556

WELFARE SERVICES, PER CAPITA INCOME CONSIDERED

Baghdad BAGHDAD OBSERVER in English 8 Aug 82 p 2

[Article by Clela Khoshaba]

[Text]

A basic objective of Iraq's economic and social policies has been the augmentation of the individuals per capita income. Minimum wage level has been sizeably increased during the last few years. The limited income group of the Iraqi society enjoyed the greater share of all wage increments.

The average per capita income of the Iraqi industrial labourer rose from ID. 250 (\$826) in 1968 to approximately ID. 834 (\$2753) in 1979, which represents an increase of 234%. Another indicator of workers' economic welfare has been their rising consumption propensity. Individual's monthly consumption expenditure increased by 290% during the period 1972-1979.

The Ministry of Labour and Social Affairs throughout its numerous affiliated bodies has performed a paramount part in the realization of the aforementioned accomplishments.

Among the Ministry's significant authorities in this context is the State Organisation for Pension and Social Security, which is entrusted with the tasks of providing financial, social and health services to workers and the application of Pension and Workers Social Welfare Law which has since its enactment in March 14 1971 until 1st January 1982, covered workers of 15692 projects emanating from public, private and mixed sectors. Number of workers covered by this law during the same period totalled 702624. Pensions can now be received from Iraqi post offices; a system which was founded by the said organisation.

A number of kindergartens, residential units, modern markets and creches for worker's babies were also built by the same organisation.

Another relevant affiliated body of the Ministry is the State Organisation for Labour and Vocational Training whose tasks relate to the distribution of labour force, the application of a unified wage-policy and the implementation of the labour law No. 151-1970. The organisation has founded 19 employment bureaus, which have so far succeeded in providing employment opportunities for 277 thousand workers. 957 thousand others were registered for new jobs.

The organisation also contributed in the foundation of five vocational training centres in Baghdad, Basra, Nineveh and Ta'meem provinces. These centres have so far graduated 5700 trainees. The organisation held 53 training courses which were attended by 770 participants. Another 582 training courses to develop workers skills were also organised.

A number of studies, research papers and reports concerning the distributions of workers, vocational performance, professions and the employment of foreign workers in Iraq were as well conducted by the aforementioned organisation.

The Labour Education Organisation on its part organised several professional training courses, lectures and educational sessions in Iraq, in addition to 43 training courses in various Arab countries. They were attended by 960 workers. On the local level, the organisation held 2509 educational courses attended by 61 thousand workers. A large number of books, booklets and other publications were also issued.

Another institution of significance which is affiliated to the Ministry of Labour and Social Affairs is the National Centre for Social and Criminological Research which was founded in 1970. The centre carried out studies on social delinquency, social centres, the aged, the disabled, the homeless, kindergartens, charity societies, migration of workers, labour laws, motherhood and childhood, juvenile delinquency, drugs, the elimination of crimes, and cases of early marriage and divorce.

The centre had participated in various international and Arab conferences and submitted 35 specialized research papers on juvenile delinquency, mass media, labour laws and Saddam's Qadissiya.

Other research work carried out by the centre concerned drug addicts, peasants migration and 13 other social research papers. Finally the centre has organised 55 training courses on the development of social services including care of the disabled and kindergartens.

Furthermore in accordance with article two of the Ministry of Labour and Social Affairs Law No. 195, the State Organisation for Social Rehabilitation has established a number of social care and rehabilitation centres.

One can clearly conclude that proceeding from the Arab Ba'th Socialist Party and Revolution deep conviction on the necessity to develop Iraq's human element and improving the masses's standard of living, effective social policies have been moulded and applied to attain this end. Simultaneously, the ministry has ensured that all penal laws contradictory to the principles of the new social policies are reviewed or repealed. Therefore social rehabilitation centres were founded to replace old fashion detention houses and prisons. Tasks of these centres were consequently based on the scientific classification of crimes and the findings of elaborate scientific research. Educational, cultural and social services are accordingly offered in these centres.

It is still to be said that among other important laws issued by the Iraqi government is the Social Welfare Law No. 126 which was promulgated in 1980.

According to this law, the state provides a monthly allowance equal to the salary of an unskilled worker to each of the families who have no or limited source of income.

Allowances have been provided to such families since January 1980.

Although the administration of various welfare services under this law required specially trained staff, progress in executing the law since its promulgation has been remarkable. New social welfare committees to follow-up the law's application have been set up. A social welfare fund has also been established. Its main task is the approval of decisions taken by the social welfare committees and to prepare lists of due monthly allowance.

While beneficiaries of the law up to June 1982 numbered 50 thousands, total monthly allowances, since the enforcement of the law up to June 1982 amounted to ID 22 million.

ROLE OF WORKING WOMEN CITED

Baghdad AL-THAWRAH in Arabic 11 Jun 82 p 7

[Article by Faryal Jasim: "The Working Woman: Effective Role in the Production Process"]

[Text] The duties and responsibilities of today's Iraqi woman under the glorious 17 July Revolution are not limited to housework and childrearing. She has gone beyond these activities to take her place beside the man in every endeavor, carrying out her role in society with full qualifications and a complete capability to surmount the difficulties that hinder the implementation of her tasks and duties. Facts and eyewitness accounts of the progress of the Iraqi woman have proven that she is fit to assume responsibility.

The revolution has made the Iraqi woman an active and effective element of society in that she has entered all fields of work. Thus, we see women working as doctors, nurses, engineers, teachers, researchers, journalists, and workers on an equal footing with men in the factories, taking his place in many instances, and fulfilling her role in work and production.

During Saddam's Qaddisiyah as the Iraqis have fought their enemy and the enemy of the Arab nation on the eastern flank of our great Arab homeland and as victories have been achieved through their determination, steadfastness, and belief in the justice of their cause, the working woman has stood and continues to stand behind the machine carrying out the role of her brother fighting on the battlefronts through continuous work in production. In this way, she has supported Saddam's Qaddisiyah and has supported the victories of our courageous army over the ignorant Iranian enemy.

In the context of the contributions of working women to the support and reinforcement of the victories of our people and our army under the leadership of President and Commander Saddam Husayn, we met with Mrs Widad Salman Da'ud, member of the executive office of the General Federation of Trade Unions and acting secretary of the Office of Working Women's Affairs.

Mrs Widad Salman, who has been honored by President Saddam Husayn for her dedication and devotion to labor, said the following: "The role of the Iraqi woman--and specifically the working woman--in the battle of honor and dignity

is represented by her efforts and sacrifices to increase production and improve its quality. Her unceasing work and her grasp of the current circumstances facing our struggling country have had a tangible effect on the quality and volume of production."

She added: "Many cultural courses and consciousness-raising seminars have been organized in the factories and plants. The General Federation of Labor Unions held a military camp for working women in Ninevah in which 170 workers from all governorates of the country took part. The programs of the camp were devoted to training the participants in the use of weapons."

The working women have also participated in blood drives. Large numbers of female workers have donated blood, money, and jewelry to support the war effort of Saddam's Qaddisiyah.

The federation's Office of Working Women's Affairs has organized people's markets whose proceeds are set aside to support the conflict in addition to organizing conferences and meetings dedicated to exploring ways of developing and improving production.

During next September, the office will hold a conference of Arab working women.

From time to time, the office organizes field trips to the battlefronts where the fierce battles are fought and the heroic deeds are done with the help of our courageous troops. During these trips, gifts of appreciation are given to the heroes who have preserved the honor of the homeland and defended our country and our people from harm.

At the conclusion of her remarks, the secretary of the federation's Office of Working Women's Affairs pledged to President Saddam Husayn and the leadership of the party and the revolution that the working women of the country will remain faithful to the principles of the party and the revolution, will enlist all energies in the service of our just national conflict, and will reinforce its great victories.

We also met with one of the Iraqi women who has won the Labor Medal, Second Grade. She is Mrs Raja' Ahmad 'Abdallah, member of the Office of the General Post and Telegraph Union. About the Labor Medal, she said: "This great honor, of which I am very proud, will be the best incentive to double efforts and increase production in order to build the socialist society and strengthen the sound economic base of our struggling nation."

8591
CSO: 4404/541

NATIONAL ECONOMY SAID TO BE IN TROUBLE

Tel Aviv HA'ARETZ in Hebrew 13 July 82 p 9

[Article by Avraham Tal: "Treasury Echo"]

[Text] The latest report by the head of the Bank of Israel about the increase in means of payment contains several indications concerning economic developments in the first few months of this year which have not merited the attention due them. During a part of the period there was a strike in the Center for Office Mechanization, as a result of which delays were caused in the supply of complete data. With this reservation, economists of the Bank of Israel managed to describe in general outline the following state of affairs:--

--In the first months of 1982 there were signs of a stabilization of economic activity, following the expansion that occurred in the middle of 1980 and as a continuation of the trend that characterized the second half of 1981. Note particularly that the Bank of Israel is reporting a stabilization in the second half of 1981--while the general presumption has been that all of 1981 showed an increase of activity. The continuation of this trend puts in doubt the prospect for continued increase in the national product, as was "planned" in the current year, even before taking into consideration the effect of the war.

--The number of employed in the first months of 1982 decreased as compared to the last quarter of 1981, and the rate of unemployment increased to 5.5 percent in the last quarter of 1981.

--In the first quarter of 1982 the trend toward an increase in private consumption has apparently resumed, where it had slackened off a bit in the last quarter of 1981. Here we mean durable goods (this indicator fits the data of an increase in real salary in the first quarter of 1982, about which the Central Statistics Office recently reported).

--As far as the export of merchandise, except for diamonds, there has been an increase of 1 percent only in the first 6 months of 1982. This result is a combination of a decrease in agricultural export and an increase of about 5 percent in industrial export apart from diamonds, a lower increase than forecast. This week the Central Statistics Office published data for the first

half of 1982: a 5-percent drop in total exports; an increase of only 3 percent in industrial production apart from diamonds.

--A qualitative change in imports as compared with the end of 1981 had apparently not occurred (that is, it continues to be at a relatively high level).

--The report does not give many details this time about the balance-of-payments situation. Nevertheless it was reported that foreign currency holdings among the private sector (net) in the first 5 months totaled \$646 million. This is a sharp increase as compared with a comparable period last year, and, in fact, as compared with any other period in the last few years. The Bank of Israel believes that these holdings are connected in part with the payment of free credit in foreign currency. In any case it would appear that if this trend continues, it will create an unusual problem in financing the balance of payments.

--In the first 5 months of 1982 real government expenses stabilized at a level similar to that of the second half of 1981--a level 12 percent higher than that of the first 5 months of 1981. In other words: Expenses have not been reduced. The surplus of government demand (the difference between government income from taxes and its expenditures) was more than 28-percent (!) higher than the surplus demand in the corresponding period last year.

--In the first 5 months of 1982 the acceleration in the rate of price increases continued--which began back in the second half of 1981--and reached a monthly rate of 7.2 percent as compared to 6.3 percent in the corresponding period last year.

As can be seen even from this superficial survey, the economy on the eve of the Lebanese war was characterized by several negative trends which necessarily cause concern. The influence of the war will considerably increase and intensify these trends.

After the factual and analytic part of the report, the recommendations of the head of the Bank of Israel are, as usual, considered. These recommendations, at least the majority of them, have already been heard on previous occasions from Treasury speakers: reduction in real salary in 1982 by 3 percent (this is the position of the Treasury which wants to stabilize real salary according to the 1980 and 1981 average); cutting civil public expenses by at least 4 percent (according to information published recently, the Treasury Ministry has been working in this direction for some time now); increasing savings; continuing a gradual reduction of subsidies; continuing to carry out reform in the area of taxes; legislation in the area of taxation and national insurance as part of a general salary agreement ("even though it seems that the burden of the war will make it harder to work in this direction on a broad scale"); and, of course, discussions between the government, the Histadrut and the employers."

There is no doubt that all of these are justifiable recommendations, but it is nevertheless impossible to avoid the feeling that the Bank of Israel is

voicing here no more than an echo of the declared policy (including policy measures) of the treasury minister. The question is whether the economic situation as it is reflected by this Bank of Israel report, among others, does not require much more serious measures and if these recommendations correspond to the needs and exhaust the possibilities. This question has to be asked all the more forcefully after the announcement of the scope of the demand of the defense establishment for a budget increase because of the Lebanese war. If it is true that we are talking about 35 billion shekels, and if this demand was largely accepted, it will have far-ranging influence on the state budget and the entire economy. We are talking about an increase in the defense budget of 20 to 25 percent, much more than the recommended cut in civil expenses.

Do the political recommendations of the Bank of Israel report answer the needs of the economy in general and its needs after the Lebanese war in particular? That is very doubtful. There is room to fear that, given the alleged intent of the present head of the Bank of Israel, namely to insist on coordination and harmony between the heads of the treasury and the heads of the Bank of Israel, at least in public, we cannot expect additional answers from the Bank of Israel before the decisions are made in the Treasury Ministry.

9794
CSO: 4423/192

DUTY FREEZE ON SUBSIDIZED IMPORTS CONSIDERED

Tel Aviv DAVAR in Hebrew 6 Jul 82 p 7

[Article by Haim Bi'ur, DAVAR's economic correspondent: "Initiatives For a 'Comparable Levy' on Imports"]

[Text] Within the framework of a law that would replace the program for preventing imports in dumping, a professional qualification levy would also be set up.

The Ministry of Industry and Commerce is pushing for a law that would add a new kind of import levy: a "comparable" levy which would prevent damage to local manufacturing by the importation into Israel of products which are subsidized in the exporting country.

In the draft of the bill that was distributed recently among the government ministries, it was stated that those products will be considered subsidized which have a lower price in Israel because of the aid or support they receive in the country of origin than the price at which they would have been exported had they not had that support. It makes no difference if the aid or support was given directly or indirectly.

The law will thus permit the imposition of a dumping levy against products whose price in the country from which they were imported is lower than the price of similar products sold in the normal course of business for internal consumption in that country.

The amount of the levy will be the total of the difference between the accepted price and the export price or a fixed price not to exceed that difference. The Minister of industry will be authorized to determine that the levy be imposed as well on merchandise released from duty and in the hands of the importer, if 90 days have not yet passed from the day of their release.

In accordance with the new law an appointee will be charged with preventing dumping and importing at a subsidized price and will be authorized to check every document belonging to the importer or the foreign exporter. The director general of the Ministry of Industry and Commerce is authorized to submit a complaint about import dumping if he believes that that kind of

import is likely to cause real damage to any industrial branch whatever. The appointee for the prevention of dumping will check the complaint, and if he finds it apparently justified, he will announce that decision by publishing it in the official gazette. The importer will be required to answer the complaint within a period of time specified for that purpose.

A levy will also be set up under the law for the advancement of professional qualification which would be imposed on plants with a view to advancing research or for purposes of training manpower in that branch of industry. The levy would be at a certain percentage of the sales cycle or of wages or at a fixed sum for a unit of product. The levy would be charged by the state and would be transferred to a special fund for professional training in that branch, which would be administered by three government representatives, four representatives of manufacturers in that branch and one labor representative.

DAVAR's correspondent notes that right now levies are charged on imported merchandise on the strength of the emergency regulations (obligatory payments) of 1958, when the matter requires protection of Israeli products from the competition of imported products, the prevention of surplus profits in Israel (in general on inventory) or in order to encourage export.

But since then there has occurred a protracted process of lessening of protective duties because of the policy of exposing local industry to competing imports and because of the agreement between Israel and the European market, which requires a lowering of duties to market countries. This process has increased the importance of the levies of the proposed law, levies which do not deviate from the framework of restraints binding by the international agreements of which Israel is a signatory.

9794
CSO: 4423/192

ISRAEL

BRIEFS

WAR LOSS OF GNP--How much will the war in Lebanon cost the Israeli economy? What is the loss in gross national product? The Histadrut's Institute for Economic and Social Research is trying to answer these questions. The director of the Histadrut's Institute for Economic and Social Research, Yoram Barzilai, said yesterday that an initial survey will be conducted under the auspices of the institute to determine the economic cost of the war. According to one estimate, the loss of gross national product to the economy will be at the rate of 4 to 5 percent. It depends, upon other things, on the rate of the army's inventory resupply. It seems that despite the scope of the call-up, the damage during the period was much less than was first expected. The damage to the agricultural sectors was significant because of the call-up; in this area the kibbutzim were hurt somewhat less because they worked out an internal call-up of workers within the kibbutzim themselves. Particularly hurt was the harvest of picked fruit, and somewhat of an under-supply of vegetables is forecast in the fall due to insufficient sowing of the fields. The damage to the construction branch is felt less, especially because of the sharp decrease in demand. There was serious damage to the hotel industry and tourism, and many hotels are operating at below the break-even point. For industries connected with the defense establishment, an enormous increase in demand is expected, as is the case in the food industry, considering the fact that Israel must also supply a portion of the needs of a large population in Lebanon. An increase in demand is expected in some of the industrial sectors. What is clear now is that worker output has increased during the war period. [By Josef Golan] [Text] [Tel Aviv DAVAR in Hebrew 7 Jul 82 p 3] 9794

EXPORTS TO EGYPT--The Federation of Chicken Hatcheries will double its exports of chickens to Egypt this year following the receipt of new orders by the federation. The export of young hens and eggs for hatching will more than double as compared to the preceding year and will come to a total of \$10 million. According to the federation spokesman, this will make the federation the largest Israeli exporter to Egypt. It was reported by the federation management that the Israeli "Anak" chicken was received in Egypt with great success and is competing with chickens that were imported until now from Europe. [By Ariel Cohen] [Text] [Tel Aviv YOMAN HASHAVU'A No 9, in Hebrew 9 Jun 92 p 22] 9794

CSO: 4423/192

FINANCE COMMITTEE CHAIRMAN REVIEWS DETAILS OF NEXT BUDGET

Kuwait AL-RA'Y in Arabic 12 Jun 82 p 3

[Article by 'Abdallah al-Qaq: "Financial Committee Chairman Discusses Coming Fiscal Budget; We Have Followed New Approach in Discussing Budget and Its Goals; Budget After Reduction: 3,024,000,000 Dinars; Al-Khurafi: Agreement to Freeze All Vacant Jobs and To Be Content With Allocation of 6 Million Dinars; No Cut in Expropriation Budget of 150 Million Dinars; Priority Given to Projects Involving Citizens"]

[Text] Jasim al-Khurafi, chairman of the Parliamentary Finance and Economy Committee, said that the committee has followed a new approach in discussing the budget and its goals with the official agencies before receiving the budget and in the course of redrafting the budget. He also asserted that the officials have shown obvious response during the discussions. At a press conference he held yesterday, al-Khurafi added that it has been decided to abolish the aid provision pertaining to aiding Syria and amounting to 87 million dinars--aid allocated in accordance with the Baghdad Arab summit resolutions--due to technical reasons. He said that this item will be presented to the National Assembly for debate and approval. It is worth noting that this allocation is included in chapter 5, which covers the budget of the Ministry of Defense, foreign aid and commitments pertaining to the summit and amounting to 1.35 billion dinars. Al-Khurafi also noted that according to the Finance Committee appropriations, the budget amounts to 3,024,688,247 dinars, with a drop of nearly 6 percent below the 1981-82 appropriations.

Opening his conference, Deputy al-Khurafi said:

"In response to the wish of the press to have a complete picture following the Finance and Economy Committee's completion of its discussion of the budget, and to give you a picture of the state budget, I am happy to welcome you and to explain to you the status of the budget and the steps taken by the Finance Committee."

"First, the Finance Committee has followed a new approach in discussing the budget and its goals with the agencies concerned before receiving it. Through the preliminary meetings, efforts were made to establish principles, frameworks and goals to help the committee after receiving the budget. The

meetings took place even before it was known that the revenues have dropped in this manner. The efforts with the state agencies were focused on reconsidering the method of drafting and presenting the budget. To be honest, the brothers in the Ministry of Finance, the Civil Service Commission and the Ministry of Planning have responded to the committee. The first fruits of this cooperation are embodied in the division of chapter 2 into two chapters, thus turning it into chapter 2 and chapter 3. The various chapters have to be explained to make it easy for whoever wishes to follow up the status of the budget to understand its details.

"First, chapter 1: This chapter concerns salaries.

"Second, chapter 2: This chapter concerns commodity and service requirements.

"Chapter 3: It concerns means of transportation and equipment.

"Chapter 4: It concerns construction projects and expropriations.

"Finally, chapter 5 which concerns miscellaneous expenditures and finance charges."

Chapter 1

"Insofar as chapter 1 is concerned, the estimates of the government draft amounted to 630 million dinars. The Finance Committee has cut 1,515,000 dinars from this chapter, thus reducing the appropriation to 628,485,000 dinars, an increase of nearly 6 percent over the appropriations allocated for the past year. This chapter covers inevitable allocations or increases pertaining to allowances and promotions.

"I would also like to point out that as a result of the cooperation between the committee and the Civil Service Commission, agreement has been reached to freeze all vacant jobs and to allocate only 6 million dinars as a subsidiary allocation for job appointments within the narrowest limits. It has also been agreed not to fill jobs becoming vacant as a result of resignation or termination of service except within the limits of this sum. There are two subsidiary accounts: One with an estimated 18 million dinars for the appointment of Kuwaitis only and a second with an estimated 6 million dinars, previously estimated at 7,515,000 dinars. There were 638 vacant positions by 30 May 1982. These have been frozen and the ministries will make no appointments to fill them. Any appointments will come from the subsidiary account.

"As for incentive allowances and bonuses and overtime work, we have made no changes in this regard. However, we asked that such expenditures be codified to make sure that everybody gets what he is entitled to."

Chapter 2

"As we have already pointed out, chapter 2 has been divided into two chapters so that this issue can be discussed in a better way. Chapter 2 now concerns

commodity and service requirements, i.e., the sums consumed on fuel and spare parts.

"Chapter 3 now includes the means of transportation and equipment, which are considered capital spending. The government draft estimated 400 million dinars for chapter 2 and this sum has been cut by 1.5 million dinars, dropping to 398.5 million dinars. The appropriation for the past fiscal year was 338,808,930 dinars, meaning that there has been an increase of 18 percent. The major part of this increase, nearly 47 million dinars, is allocated for the operational needs of the Ministry of Electricity.

"As for chapter 3 which concerns the means of transportation and equipment, the estimate of the government draft was 50 million dinars, and the committee has not reduced this sum. The appropriation for fiscal 1981-82 was 51,780,204 dinars. Thus, the cut in this chapter is 2.5 percent. In accordance with this chapter, it has become essential to (reevaluate) equipment. There will also be an opportunity for a more positive debate on the means of transportation and equipment."

Construction Projects

"As for chapter 4 which concerns construction and expropriation projects, appropriations for construction projects were 603 million dinars, according to the government estimates. What is new in this chapter is that the major part of this sum is allocated for projects already contracted and includes no new projects, except for the Ministry of Electricity and Water Resources and nearly 11 million dinars for the Ministry of Public Works. A sum of 23.3 million dinars has been cut by the Finance Committee, thus reducing the appropriation to 579.7 million dinars.

"The cut was based on sums that are not expected to be spent on the projects, since it has become evident to the committee that appropriations for the projects are not fully spent and are put in trusts. Thus, there was a cut of 1.06 percent below the level last year. As for the expropriations, the government draft's estimate was 150 million dinars, of which the committee has cut nothing. The 1981-82 appropriation amounted to 300 million dinars. Thus, there has been a drop of 50 percent below last year." Al-Khurafi also said that the projects are being reconsidered so that uniform standards can be set and priorities given to these projects according to the resources available to the state. We hope to reap the fruits of this organization in the coming years. He added: "In the current arrangement, a set appropriation has been allocated for the Ministry of Planning from which it is to spend on the various projects carefully and in a manner free of improvised estimates, which used to happen in the past."

Chapter 5

"The biggest item in chapter 5, which concerns miscellaneous expenditures and finance charges, pertains to the Ministry of Finance and is estimated at 700 million dinars. This chapter includes all the attached and independent budgets, foreign aid and the commitments pertaining to the summit conference.

It also includes the budget of the Ministry of Defense. The appropriations for this chapter amounted to 1,335,000,000 dinars, but the Finance Committee has cut them by 117,437,114 dinars, including the sum allocated for aid to Syria estimated at 87 million dinars. This cut was for technical reasons. The total budget, according to government estimates for the five chapters, amounts to 3,168,000,000 dinars. The committee has cut the sum by 143,752,247 dinars, thus reducing the budget according to the Finance Committee's appropriations to 3,024,247,886 dinars. As a result, there is a drop of nearly six percent below the 1981-82 appropriations. Total revenues are 3,206,000,000 dinars, a drop of nearly 40 percent below last year. The deficit has resulted in the transfer of 320.6 million dinars in accordance with the law on future reserves.

"In conclusion, I express my deep thanks to the brothers in the Ministry of Finance agencies, in the Civil Service Commission and in the Ministry of Planning and to the brothers working in the committee for this positive cooperation. Approval of the committee's recommendations will be left up to the esteemed brother members of the National Assembly."

Cuts in Independent Budgets

Total cuts in the independent and attached budgets are as follows:

KUWAIT NEWS AGENCY: 447,000 dinars.

University of Kuwait: 11,586,000 dinars.

Kuwait Institute for Scientific Research: 1,291,000 dinars.

Municipality of Kuwait: 1,755,000 dinars.

Kuwait Oil Organization: 12.7 million dinars.

Thus, the total cuts in the attached and independent budgets amount to 27,779,000 dinars.

8494
CSO: 4404/543

LOANS TO MAURITANIA, SENEGAL REPORTED

Kuwait AL-QABAS in Arabic 14 Jun 82 p 23

[Text] The Kuwaiti Fund for Economic Development announced that three separate loan agreements were signed yesterday in Dakar between the Kuwaiti Fund for Arab Economic Development and the Republic of Mali, the Islamic Republic of Mauritania, and the Republic of Senegal. In accordance with these agreements, the fund will provide three loans worth a total of 30 million Kuwaiti dinars--approximately \$105 million--as part of the financing of the Senegal River Basin development project. This project is being carried out by the three states mentioned, which are members of the Senegal River Basin Development Organization.

The Republic of Mali will receive a loan of 10.8 million dinars, the Islamic Republic of Mauritania will receive a loan of 5.7 million dinars, and the Republic of Senegal will receive a 13.5 million dinar loan. Also signed yesterday by the fund, the Republic of Mali, the Islamic Republic of Mauritania, the Republic of Senegal, and the Senegal River Basin Development Organization were a joint arrangements agreement and a project related to the main project.

The aforementioned agreements were signed for the Republic of Mali by the Malian ambassador to Senegal, Mamadu Diawara. Signing for the Islamic Republic of Mauritania was Taqi Walad Sidi, Mauritania's ambassador to Senegal. Senegalese Minister of Water Resources (Samba Bila) signed on behalf of the Republic of Senegal. Signing on behalf of the Senegal River Basin Development Organization was Mukhtar Walad Habbah, general commissioner of the Senegal River Basin Development Organization.

Signing the agreements on behalf of the fund was Faysal 'Abd-al-Razzaq al-Khalid, general director of the fund.

The project represents an important part of an integrated program of the Senegal River Basin Development Organization aimed at controlling the waters of the Senegal River, exploiting them for the development of agriculture in the Senegal Basin, and generating electric power as well as developing river transport. The project basically consists of the construction of a dam at Diyama near the mouth of the Senegal River and another dam in Mali on the (Bafinj) River at (Manantali). The project also provides for raising the

capacity of the railway line between Senegal and Mali and conducting a number of studies and training operations.

The total costs of the project are estimated at 216 million Kuwaiti dinars which is equivalent to around \$756 million. The loans provided by the fund will cover about 14 percent of these costs.

The project is expected to be completed by the end of 1987.

The repayment period of the loans is 44 years with a grace period of around 10 years. The loan will be repaid in 70 semianual payments with the first payment due on 15 February 1992 and the last on 15 August 2026. The interest rate on the loan is 2 percent annually which includes 0.5 percent annually to meet the costs of administration and services involved in implementing the loan agreement.

8591
CSO: 4404/544

GOVERNMENT WORKERS' SALARIES INCREASED

Kuwait AL-QABAS in Arabic 11 Jun 82 p 2

[Text] In its session of last Tuesday, the National Assembly approved a bill concerning an increase in salaries for state workers. The bill calls for an increase in the base salary of all state workers by 20 dinars. This includes civilian employees, the army, the police, members of the diplomatic and consulate corps, members of the judicial authority, and faculty of the university.

The bill also grants Kuwaiti workers a social allowance of 10 dinars and increases the child allowance for Kuwaitis to 20 dinars per child.

In addition, it was decided to grant workers in the second and third categories an increase of 20 dinars and pensioners an increase of not less than 30 dinars.

The following is the text of the passed bill:

Article 1: This article provides for the replacement of the salary schedules with new schedules reflecting an increase of 20 dinars per month in the base salaries of all state workers including both Kuwaitis and non-Kuwaitis.

Article 2: The following paragraph shall be added to Article 19 of the aforementioned civil service law as Paragraph 8:

"The social allowance with the provision that a Kuwaiti employee shall be entitled to no less than 20 dinars for each of his children."

Article 3: Pensioners or their beneficiaries are hereby granted an increase of not less than 30 dinars in accordance with the rules and conditions approved by the administration of the General Social Insurance Organization.

Article 4: The level of salaries and retirement pensions shall be reviewed in light of increases in living expenses in accordance with the rules and provisions approved by the Council of Ministers.

Article 5: Clauses 3 and 4 of Article 12 of the aforementioned civil service law shall be replaced with the following:

3. The assistant technical employees group.

4. The assistant employees group. The terms "professional employees group" and "services employees groups" appearing in the laws and regulations shall be replaced by the two terms stipulated in Clauses 3 and 4 of this article.

Article 6: Employees in service at the time this law is put into effect who are appointed to the second and third categories shall be granted a raise of 20 dinars.

Article 7: The necessary funds to implement the provisions of this law shall be taken from the general reserves of the state.

Article 8: All actions pertaining to the implementation of this law shall be the responsibility of the prime minister and the ministers. It shall be put into effect on the first day of the month following the date of its publication in the official newspaper.

Report of the Financial Committee

In its report to the assembly concerning the project, the financial committee said that it had held six sessions, some of which were attended by the minister of finance, the minister of planning, the minister of justice and legal and administrative affairs, and certain of the individuals who had put forward the first proposal. In constant attendance at these sessions was the assistant undersecretary of the Government Employees Bureau, who presented comparative studies and explanatory briefs concerning the two proposals.

In the end, the committee called for a joint meeting including both the Financial and Economic Affairs Committee and the Legislative and Legal Affairs Committee in light of the recommendations that would be presented by the minister of legal and administrative affairs.

The joint committee held six sessions, some of which were attended by the minister of justice and legal and administrative affairs. The minister presented the government's recommendations concerning the increase in salaries and its ideas regarding the changing of the designations of the main groups. He suggested that it meet the essential objectives behind the proposal of the bill under discussion by making the raise higher for the lower grades than for the upper grades and changing the group titles in order to eliminate distinctions among all state workers. The minister opposed the provision in the proposal stipulating that non-Kuwaiti workers should be eliminated from the pay schedules and placed under a unified category. He also opposed the introduction of a new article providing for a pay increase for state workers every 2 years. He indicated that if the proposed amendment to the grade and pay schedule were passed, it would lead to changes in some articles of the law and in the civil service regulations currently in forces.

Schedules Left Unchanged

After study, the joint committee decided to keep the schedules of grades (major categories) and salaries as they exist in the law at present without

any changes. It also decided to leave the categories pertaining to non-Kuwaiti workers unchanged, while confirming the contents of Article 15 of the civil service law.

It decided to form a subcommittee to study the two proposals mentioned in light of the decisions reached and estimate the percentage increase in salaries and submit the results of its studies to the committee.

The subcommittee held three sessions. Member Mashari Jasim al-'Anjari was assigned the responsibility of drafting an amending bill based on decisions agreed on earlier. The subcommittee arrived at more than one proposal concerning the increase in salaries and the financial estimates were formulated for it by the Employees Bureau. The committee then submitted its recommendation to the joint committee. This recommendation endorsed the amended bill and proposed two schedules, Nos 1 and 2, pertaining to a raise in salaries for all state workers.

The Amendment

Thus, the joint committee held a session in which it reviewed the amendment and the two proposals mentioned earlier. In the end, it approved the aforementioned amendment with only one individual voting against it. This person opposed the bill and proposed that the original agreement be accepted in full because he felt that the decision reached by the committee would not solve the existing problem but would increase the financial burden on the state budget unless the increases were tied to price controls.

With regard to the two proposed schedules pertaining to the increases in salaries, a majority of seven votes were cast in favor of Schedule 1 after it was amended to include a 20-dinar increase in the base salary of all workers without exception, a 10-dinar increase in the social allowance for Kuwaitis (married or single), and an increase in the child allowance for Kuwaitis of 10 dinars per child up to any number of children.

The minority, consisting of six votes, felt that Schedule 2 should be accepted. This included the following increases:

1. An increase of 20 dinars in the base salary of all state workers without exception.
2. An increase in the child allowance for Kuwaitis of 10 dinars per child up to any number of children.

The representative of the Employees Bureau opposed the decision made by the committee. He favored adhering to the schedule put forward by the government as Schedule No 3.

Recommendations

The committee would like to recommend that the assembly adopt a decision requesting the government to:

1. Advise the Consumer Protection Administration in the Ministry of Trade to monitor commodities and products in the local market in order to stabilize prices and to adopt firm legal measures against speculators who will seize on the opportunity afforded by the increase in salaries.
2. Act to increase the amount of assistance to families who are eligible for aid from the Ministry of Social Affairs and Labor.
3. Act through the Social Insurance Organization to grant an allowance for retired citizens not covered by this law similar to that of workers still in service.
4. Adopt the necessary measures to increase the child allowance as stipulated in Article 2 of the proposed amended bill in accordance with the decision made by the Council of Ministers in this regard.

8591
CSO: 4404/544

FACTORS, CONTROLS FOR STABILIZING PRICES DISCUSSED

Kuwait AL-QABAS in Arabic 11 Jun 82 p 12

[Article: "Minister of Commerce Answers Deputy al-'Anjari: 'We Must Acknowledge Presence of Inflation But Subsidized Goods, Market Mechanics and Administrative Measures Make Prices Reasonable; Problems Between States Lie in Disagreement Over Prices of Each Side's Products'"]

[Text] Jasim Khalid al-Marzuq, minister of commerce and industry, stated that inflation will continue to be present as long as goods are imported from abroad, adding that the inflationary wave is no more than a direct reflection of the inflationary condition from which the economies of the world countries are suffering and that the total food commodity subsidy amounted to 32,292,702 dinars and 134 fils in 1981.

Answering a parliamentary question by Deputy Mushari Jasim al-'Anjari, Minister of Commerce and Industry al-Marzuq said that to start with, we must acknowledge the presence of inflation and that this inflation will continue to exist as long as goods are imported from abroad, with the direct and indirect costs of these goods continuing to rise in the countries of origin and a subsequent rise in their local price. This means that the local inflation wave is no more than a direct reflection of the inflationary condition from which the economies of the various countries of the world with their various systems are suffering. The problems among the industrial countries, the oil producing countries and the other economic blocs, for example, are nothing but disagreement over the prices of the national products in each of them. However, it is possible to check inflation in our local market with the following controls:

Influencing Agents

It is well known that the state has subsidized numerous commodities of vital importance to the citizen's daily life. Spending on these commodities would affect the citizen's family budget sharply if he were to purchase them from the free market. Therefore, the marketing of these commodities in the main marketing centers--the cooperatives--and in some shops licensed to sell subsidized goods has turned such a significant part of the flow of the purchasing power to these establishments that it has forced the merchants and agents importing similar commodities not to exaggerate in setting the

profit margins they collect for their goods. Therefore, we can say that the supply of subsidized goods with compulsory prices has created a ceiling for the average prices of alternative goods--a ceiling that these prices do not exceed by large degrees. This is itself is a control that contributes to curtail excessive prices, considering that any exaggeration in setting the prices of free commodities will drive the consumers away from purchasing these commodities and toward purchasing the subsidized goods, which are inexpensive and of good quality.

Other Beneficiaries

The minister added that perhaps it is proper to note that certain groups of citizens benefit from certain subsidized commodities, such as people with real estate loans who obtain cement, iron and cinder blocks at reduced prices and school, institute and university students who obtain supplies and athletic equipment at subsidized prices--and these are two major groups of the people who consume large quantities of these goods, something that has effectively curtailed any rise in the prices of similar goods in the free market, despite the large demand for them.

Benefits of Competition

It is well known that a commodity is marketed under numerous trademarks and that the agent for each trademark exerts utmost efforts to attract consumers to his commodity in various ways, including that of not exaggerating in setting the price of his commodity. Therefore, the presence of this competition in the market--a competition indicated by the advertisement campaigns among the consumers through the various media--has also prevented the owners of commercial projects from setting excessive profit margins, considering that such excess will drive customers away from purchasing the merchant's commodity and encourage them to buy it somewhere else.

Vegetable Prices

The minister said: "As for the prices of fresh produce, it is well known that the abundance or scarcity of such produce in the markets and, consequently, its prices depend on several factors, the most important of which is the natural season for the produce in the country of origin, the quantitative restrictions that the country concerned imposes on the export of the produce and the regularity of transportation between our local market and the producing country. These factors and others indisputably influence the quantity of produce offered by the market and effect its prices, either upward or downward. Despite this, the many sources from which the produce is imported and the competition to market it quickly by not charging excessive prices, especially since produce is highly perishable, has created some sort of stability in the seasonal prices of produce."

Equipment and Vehicles

The minister of trade also noted that insofar as manufactured consumer goods--such as cars, refrigerators, washing machines, ovens, television sets,

furniture, mechanical equipment and household appliances--are concerned, it is well known that they have a hypothetical lifespan (consumption rate)--an average of 3 years--after which such goods are consumed, which means that the consumer is not compelled to purchase such goods daily or monthly but continues to use them for a long time. Considering that the overwhelming majority of the consumers own such goods, the size of the demand for them is almost fixed, that is, if it has not dropped as a result of the expanding used goods trade and the tendency of some citizens to import their needs directly from abroad. All of this has compelled commercial businesses not to set excessive profit margins, especially if we take into consideration the tendency of the total demand curve to decline with the passage of months and the approaching end of a year and the desire of the consumers to acquire latest models and types of a given commodity in the year that is about to start.

Export Control

The minister added that the ministry exercises some sort of quantitative control over the exportation of foodstuffs and construction materials to the outside world to prevent shortages in the stores of these goods and subsequent successive hikes in their prices, hikes from which the consuming public and the establishments operating in the country will suffer. In some cases, matters may reach the point of a total ban on the exportation of a certain commodity to eliminate any signs that might indicate the development of a supply bottleneck in an essential commodity.

Therefore, the prices of these commodities fluctuate upward or downward within a narrow range and in a manner that causes no significant hardship.

From this, we conclude that the supply of subsidized goods, market mechanics and administrative measures constantly create some restraints that govern the balance between supply and demand forces, thus stabilizing prices at levels reasonable for both the seller and the buyer.

8494
CSO: 4404/543

NEW POLITICAL PARTY ANALYZED

London AL-SHARQ AL-AWSAT in Arabic 5 Jul 82 p 3

[Article by Talhah Jibril, AL-SHARQ AL-AWSAT's correspondent in Casablanca: "A New Party in Morocco Attempts to [Start] a Political Movement in the Rural Areas"]

[Text] After the general elections which were held in Morocco in June 1977, the Moroccan Chamber of Representatives came to be composed of a majority of representatives who had entered the elections as "independents." When the Chamber of Representatives began its work, the parliamentary majority (approximately 145 representatives), under the leadership of Ahmed Osman, who was the prime minister at that time, proceeded to form a political party which they later called the "National Independents' Party" [RNI]. It was clear that the party stood to the right of the traditional Moroccan parties (Istiqlal, the Socialist Union of Popular Forces [USFP], the Party of Progress and Socialism [PPS], and the National Union of Popular Forces [UNFP]). After Ahmed Osman was no longer prime minister, signs were seen on the horizon that the RNI parliamentary bloc was beginning to split up, especially since it was the parliamentary bloc which preceded the formation of the party, rather than the other way around as is usually the case.

In July 1980 a group of representatives, together with four ministers, caused a split inside the RNI parliamentary bloc and they proceeded to form a new parliamentary group called the "Independent Democrats." This group led this split under the motto that it was necessary to be concerned with the rural areas of Morocco. They accused the RNI leaders of having feudalist and bourgeois views. The most prominent leaders of this split-off from the RNI were Mohamed Arsalane el Jadidi, the current minister of labor, Moussa Saadi, the minister of energy, Ahmed Belhaj, the minister of relations with parliament, Khali Hanna Ould Rachid, the secretary of state for Saharan affairs, 'Abd al-Hamid al-Qasimi, formerly head of the RNI parliamentary group, Jalal al-Sa'id, a representative in the Chamber of Representatives and a university professor, and 'Abd al-Qadir Sulayman, the former minister of finance.

This group of politicians began making efforts to form a new party. Within 2 years they were able to establish the structure of this party, which held its first congress in June of this year in Casablanca, with its motto being: "We are for just and balanced growth in both the urban and rural areas."

During the work of the conference it became clear that the new party was striving to achieve a more disciplined political framework in order to avoid the flabbiness which had afflicted the RNI. One of the leaders of the party, which has now been named the "National Democratic Party," has been quoted as saying: "The establishment of this party is a result of the failure of the RNI leaders to provide their party with ideological and organizational content." [He also said that the new party was formed] in order to "fill an important political vacuum, to combat election campaign opportunism, and to work for the benefit of our citizens, especially those living in the desert areas."

While the congress was being held, the members of the Political Bureau and the Central Committee of the National Democratic Party were elected, and Arsalane el Jadidi, the minister of labor, was elected as the party's secretary general. Originally he was one of the leaders of the Moroccan Labor Union [UMT]--one of the oldest labor unions in Morocco--and he held a number of labor union positions in the phosphate workers' sector.

It was noticed that the leaders of the new party emphasized their status as traditional political figures in some of Morocco's rural areas when the organizational structure of the party was being put together.

Political Vacuum?

The leaders of the National Democratic Party have talked about "a political vacuum which makes it necessary to form a democratic political body which would not at all correspond to the traditional criteria for forming parties in Morocco, the objective of the party being to combat political and economic monopolization [which has taken place] after the changes which took place in Morocco since the period of obtaining independence." If this explains the motive for providing the framework for a new political movement, the other [existing] political forces nevertheless have posed some questions concerning the circumstances of the formation of the National Democratic Party and concerning its political identity.

AL-SHARQ AL-AWSAT Relayed some of these questions to Mr Khali Hanna Ould Rachid, secretary of state for Saharan affairs (who is originally from Western Sahara), member of the new party's Political Bureau, and apparently the organizational and political brain of the new party.

The first question concerned something currently being heard in Morocco, the upshot of which is as follows: The currently existing Moroccan political parties, both on the right and on the left, have their roots in the time of the struggle for national independence. As a result of this, they are linked to historic figures who dedicated themselves to political action. At the same time, it is noticeable that the leaders of the new party cannot be categorized as "national figures"--that is, they are not personalities who contributed toward mobilizing and politicizing the Moroccan masses before independence. Concerning this matter, Mr Khali Hanna Ould Rachid's answer was: "Morocco has changed and developed a great deal since independence,

and has experienced many years of political labor pains." He went on to say: "Morocco's population has increased from 12 million at the time of independence to almost 22 million at the present time. Its total geographical area has also increased. The average age of the people in the generation which did not take part in the national independence movement is, at present, 26 years. This generation right now wishes to participate in the political process [of the country]. This does not mean that we want to break off from the previous generations. Although the new generation did not participate in the national independence movement, the fathers of the members of this new generation did participate in the national struggle. Our party has basically been formed to combat political monopolization and dictatorship by the elite."

AL-SHARQ AL-AWSAT then said to him: "Many people are saying that your party is supported by the administration and is therefore an 'establishment party.' They are saying that it was the government that helped you to form and establish the party's organization and that it was the government which encouraged you to split off [from the RNI]."

Khali Hanna Ould Rachid answered: "First of all, we do participate in the government. Secondly, the government or administration does not create enthusiasm or the will to fight. The administration can provide material support, but it cannot induce people to volunteer to do party work. Ninety percent of the members who attended the first congress attended it in spite of instructions given by their administrations [not to do so]. I am not going to tell you that we have problems with the administration and the government. You probably would not believe this. We do not feel embarrassed about [our relationship with] the Moroccan administration and government because it is our government. This is a fact."

AL-SHARA AL-AWSAT: "It is said that your party resembles several other Moroccan parties which formed when election were being held and disappeared after the elections were over."

Kaali Hanna Ould Rachid, who was one of the leaders of the Saharan National Union Party in Western Sahara which was dissolved after Morocco annexed Western Sahara, said: "The reason for the establishment of the National Democratic Party were the political and ideological dispute with the RNI. When this dispute occurred, 33 representatives [belonging to the RNI] joined us. I do not believe that such a number of people would be thinking about the next election, because they enjoyed an excellent status inside the RNI! We then submitted this dispute to the masses, and agreement was reached to form a new party. This was a surprise both for us and for our opponents! Furthermore, the events which you were talking about happened after the election. The foundations for establishing our party were first laid in June of 1980."

These were some of the answers to some of the questions posed both before and after the establishment of the National Democratic Party. In the view of observers, the National Democratic Party appears to be more serious about

providing a framework for a political movement. Also, its basic dispute with the RNI lies in the fact that the latter has endeavored to rally together this movement apart from the government's patronage. However, it supports the basic directives of the regime. The objective of the National Democratic Party motto, which is "give priority to the rural areas," is to attract supporters in the rural areas. The question remains: Will this gamble succeed?

So far the party has put out two newspapers, one of which is a daily in Arabic and the other of which is a weekly in French. The first national congress has been held, this congress sorted out the party's organizational structures and chose the party leadership, and the party was christened with its name. Whatever happens next depends on the interaction in the political arena and the political wheeling and dealing which has started up in anticipation of the elections of June 1982! [As published]

9468
CSO: 4504/398

EXCHANGE HOUSE PROBLEMS REPORTED

Failure Claimed

Doha DAILY GULF TIMES in English 1 Aug 82 p 1

[Article by K N Sharma]

[Text]

Another exchange house in Qatar is winding-up its business.

The Arabian Finance and Exchange Corporation (AFEC), which until recently accounted for nearly 20pc of Doha's total exchange business, has asked customers to collect refunds of their drafts dishonoured by Indian banks.

The AFEC failure comes only four months after the collapse of the International Finance and Exchange Corporation.

The IFEC folded suddenly leaving nearly QR120m in debt to customers, depositors, shareholders and banks. But the AFEC winding-up has been gradual affair and will not have the same financial repercussions.

However, the Qatar Monetary Agency, which has for the past three months been closely overseeing the operations of the exchange houses, has instituted an inquiry into the affairs of the AFEC.

Mr Bashir Ahmed, managing director of the company, and Mr Abdul Salam, deputy managing director, who are presently out of Doha, have been requested to return immediately to assist QMA inspectors in their investigations.

Although the company had agency arrangements with six major banks in India

— more than any other exchange house in Doha — few Indians had bought drafts from the AFEC in the wake of the IFEC crash and the general loss of confidence in exchange house dealings. It was the personal dynamism of Mr Bashir Ahmed, an India-born British national, that maintained AFEC's business on a limited scale.

But the latest directive by the Reserve Bank of India regulating Indian banks' agency arrangements with foreign exchange companies hit the AFEC's business, said an AFEC official.

The official said the Indian banks had refused to honour any draft issued by exchange company unless it was backed by sufficient balances in the issuing company's dollar or pound sterling accounts with the bank.

Banks were also insisting on collateral securities or international bank guarantees before giving any overdraft.

Indian banks were also insisting on representation on the management of the exchange houses and weekly accounts of daily deposit transfers and drafts.

The AFEC was incorporated on January 23, 1979, as an "unlimited liability company." It had an authorised capital of QR4m of which QR2m was paid up.

Denied As Rumor

Doha DAILY GULF TIMES in English 2 Aug 82 p 1

[Text]

Qatar-based Arabian Exchange and Finance Organisation yesterday denied that its Doha operation was being wound up.

In a statement issued last night the finance house, however, admitted that it had "liquidity problems".

The denial came as officials of the Qatar Monetary Agency were reported to have taken away the company's account books. The company says this was for a routine examination.

The company's lawyers stressed that the company has not failed and said that the AEFO management had not taken any decision to wind up its business.

A legal spokesman said in a statement to *Daily Gulf Times* "Mr Bashir Ahmed, manager of the Arabian Exchange, has been assured by his auditors that assets are more than sufficient to cover liabilities.

"Negotiations with the Central Bank of India for restoration of previous arrangements are now well advanced — an agreement in principle having been reached subject to terms and conditions accepted by Arabian Exchange and approval by the Reserve Bank of India, which approval is anticipated within the coming two weeks."

On the matter of the company's books the spokesman said: "Arabian Exchange is collaborating with Qatar Monetary Agency, whose officials are currently inspecting its books and records. The inspection is a normal procedure under the new law regarding exchange houses and should be finished within the coming two weeks."

The spokesman said that the liquidity problems are being suffered to a greater or lesser extent by

most exchange houses in Qatar and other parts of the Gulf. The problem is attributed to the failure of several exchange operations in the Gulf over the last few months, after which Asian banks unilaterally withdrew facilities from exchange houses without notice.

The statement issued on behalf of the organisation described as "completely inaccurate" a headline in yesterday's *Daily Gulf Times* that the firm had "failed." The statement said it was also inaccurate that any decision had been taken to wind up its business.

Earlier an employee of the company had told *Daily Gulf Times* that the company would remain open to refund the amounts of drafts dishonoured by foreign banks.

But yesterday several customers who went to the premises told *Daily Gulf Times* later that they were advised to go to QMA as the agency had taken away their books.

The banking operations department of QMA was reported to be holding a number of claims for refund of dishonoured drafts issued by Arabian Exchange. The difficulties stem from the refusal by correspondent banks to honour drafts.

Although the company has stopped issuing drafts or making refunds, last night's statement made it clear that Mr Ahmed is making strenuous efforts to reopen the company for business.

The company was referred to inaccurately as Arabian Exchange and Finance Corporation in yesterday's *Daily Gulf Times*.

CSO: 4400/427

LOCAL CONTAINER SERVICES

Doha DAILY GULF TIMES in English 4 Aug 82 p 12

[Text]

QATAR no longer has to depend on foreign companies or agents to provide container services to local traders, as the first batch of Qatar Navigation's 1,000 containers started arriving in Doha.

The containers, costing \$2,500 each and painted in maroon and white, can be seen at the container yard near Qatar National Museum.

According to Mr Lothar Dayte of Qatar National Navigation "Qatar is now self-sufficient in container service."

"The entire lot of 1,000 containers are expected to come by the end of this year, most probably in November," he said.

The new containers built specially for Qatar in South Korea, will in-

crease the efficiency of Qatar National Lines, particularly in its container services to the Far East.

"An agreement has already been signed between Qatar Navigation and Far Eastern Shipping Lines to operate two ships a month," Mr Dayte said.

Qatar Navigation is now in a position to offer its services up to Suiz because of the added facilities.

Qatar's major export, according to Mr Dayte, on container services will be polyethylene from Umm Said.

Qatar Navigation also plans to introduce computerised container control services in two months — another step to increase the efficiency of operations.

CSO: 440/427

SPORTS, RECREATION COMPLEX DESCRIBED

Doha DAILY GULF TIMES in English 5 Aug 82 p 3

[Text]

A MULTI-million riyal leisure and sports complex, the first in Qatar, is to be built in Doha's burgeoning West Bay area.

The project, which will be built by a newly formed company, will include an ice rink, a 16-lane bowling alley, shops, games room and a club house.

There will also be landscape gardens, a recreation park, a children's playground and catering facilities.

The centre will be built on reclaimed land next to the sea.

Tenders are to go out shortly for the leisure centre.

A joint stock company with an initial capital of QR60m has already been formed and a con-

sultant and an architect appointed for the project.

Seventeen leading Doha business-men are reported to have subscribed to the initial capital of the joint stock company called Qatar Leisure Company.

Britain's Guinness Peat International are overall consultants and West Germany's Weideplan consulting-architects of the project.

The project is being directly supervised by HH the Emir's office and the Doha Municipality.

The scheme is expected to open up substantial avenues of development in West Bay which is to house about 10,000 people by the end of the decade.

CSO: 440/427

EFFECTIVENESS OF COMMODITY CONTROLS EXAMINED

Damascus AL-THAWRAH in Arabic 19 Jun 82 p 7

[Article by Sa'd al-Qasim: "Are Commodity Controls Achieving Their Desired Purpose; the Citizen Has A Primary Role in the Success or Failure of Controls"]

[Text] Commodity control is concerned with providing basic commodities to the people throughout the year and preventing any monopoly in these commodities. It also means setting prices for various commodities and monitoring adherence by the sellers to these prices. One would understand from the title commodity controls that this process completely oversees buying and selling in the market. However, if we take a look at statistics, we can recognize that such an idealistic view is impossible and unrealizable.

In the city of Damascus alone there are about 1,400 commercial places selling meat, 3,000 selling fruits and vegetables and 60,000 other commercial places engaged in various economic activities. Again in Damascus alone, there are more than 200,000 heads of households working to supply their families with commodities and every day there are many transactions. Such figures show that there is no way to exercise comprehensive and constant oversight over the markets because no commodity machinery, no matter how large, could handle such a task. Therefore the supply machinery turns to what it calls "curbing violations" by means of the commodity patrols which go into the markets at various times and monitor the extent to which the sellers are abiding by supply instructions. On this basis, records are kept of violators and they are turned over to the military courts. During the past year, there were about 7,000 violators in the city of Damascus turned over and they received punishments ranging from fines to detentions to closure. So far this year there have been about 4,000 violators caught and punished.

Commodity Control and the Role of the Citizen

As we have stated, commodity control covers most commercial places and has varying degrees depending on the importance of the materials sold. It covers basic foodstuffs (such as sugar, rice, milk, bread, oil and vegetables) which receive the bulk of the attention of the control machinery in the Ministry of Supply. This oversight involves preventing illegal trade in basic commodities such as flour for breadbaking as well as withholding certain commodities for later sale at higher prices. However, if it is not guaranteed

effective cooperation between the oversight machinery and the average citizen, the party with primary connections and interests in control of the markets, commodity control cannot achieve its desired goal. This is another issue. Many citizens refuse to come forward with complaints to the supply machinery but some others feel that this is a moral stand to take toward the owner of the business, particularly if he lives or works in the same quarter. Also other citizens refuse to come forward with their complaints because of what they hear about the slow response to such complaints and the neglect by commodity patrols in coming at times, something which causes the complainant to waste his time for no benefit. Where does the truth lie in all this?

With regard to the first group of citizens, we must point out that if a citizen refuses to complain about a violator, this stand not only contributes to making him a dupe but must be regarded as encouragement for the exploitation of other citizens and repeated exploitation of the same citizen time and time again. Any embarrassment felt by the buyer toward the seller is not reciprocated by the seller in his treatment of the buyer. There is absolutely no justification for any citizen to feel embarrassed about demanding his rights.

As for the second group of citizens who are apprehensive about complicated procedures in the event of a complaint, Fathi Dayrki, director of supply in Damascus, says: "Talk about tardy response by our patrols to complaints by citizens is highly exaggerated. The city is divided into sectors the number of which vary during different times of day. The number reaches eight sectors during the hours the market is active. In each sector we have a supply patrol with a radio-equipped car and as soon as we receive any complaint, we send the patrol on duty in the appropriate sector to investigate it. The time elapsed between our receiving the complaint and the arrival of our patrol to investigate it is normally not more than a few minutes. However, in rare cases we receive two complaints in the same sector. For instance say it is sector A; we would instruct our patrol in sector B to back up the sector A patrol and investigate the second complaint. It could happen that at this same time, we would receive a complaint in sector B and we would have to put this on the waiting list until the patrol finishes its task and we can instruct it to investigate the new complaint. Accordingly, there can be a delay at times but this, as we said, happens only rarely. At all other times, we respond with the utmost possible speed to a citizen's complaint.

Control and the Availability of Commodities

No one commodity is like another and the absence of some from the market will affect different places differently. Nevertheless, not more than one or two commodities are unavailable in the market at this time, they being commodities which are not basic and are not produced locally (such as bananas). As for other types of fruit, in our country they are usually absent from the markets between the end of April and the beginning of June up until the appearance of the type known as the al-sukari apple because of the nature of agricultural production in our country. This type has begun to appear in our markets,

keeping in mind that other types of apples are still being sold in the stores of the General Company for Fruits and for Vegetables.

Price Control

Talking about the General Company for Fruits and Vegetables leads one to talk about that outstanding experiment which the Ministry of Supply ran for selling the citizens [word illegible] through halls for selling fruits and vegetables. This experiment, about which much has been written, certainly encountered some problems at first because it was new but, as time passed, expertise improved in setting locations for providing many commodities to the people at prices which were not exploitable.

When talking about prices, one must draw a distinction between two types of violations involving prices. The first is not giving the price and the second is not holding to the price whether given or not. The commodity control machinery is normally able to curb the first type of violation because it is obvious and clear cut and this is apparent through the almost complete adherence by merchants to posting prices. However, with regard to the second type of violation, selling at a price higher than the posted price, the commodity machinery is helpless because only the citizen involved is aware of this violation. Such violations can only be prevented by cooperation by citizens with the appropriate agency.

Restaurants Fall Between Supply and Tourism

Restaurants are the places that are the subjects of most of the complaints about poor commodity control. The prices are not posted in a large portion of them and, if they are posted, they will not be adhered to. The owners also evade giving the patrons regular pricelists but just use ordinary pieces of paper that give the name of the reataurant written in illegible script. Often the customer discovers this error in his bill--which is usually not in his favor--the cashier apoligizes and gives back the difference and if the customer does not discover the error, things go on in their usual way. Often the customer will request a regular price list and the owner will resort to trickery, cutting off the price list from the menu and keeping the part that gives the name of the restaurant lest the restaurant be brought to accounts. At the directorate of supply, they say that overseeing the bulk of the restaurants is the job of the Ministry of Tourism but will still not refrain from responding to any complaint they receive in this regard.

In looking up Decree 41 for 1972 in accordance with which the Ministry of Tourism was created, we find that Paragraph J of Article 4 states the following:

The ministry--that is, the Ministry of Tourism--has the authority to classify places offering overnight accomodations, public establishments and souvenir shops as tourist establishments and has the right to set prices in and monitor them in accordance with the laws governing them in cooperation with the Ministry of Supply and Internal Trade.

In accordance with this paragraph, the ministry has classified all restaurants in the country up to second class restaurants as tourist places and this, for all practical purposes, covers the bulk of restaurants. However, as we were told at the Ministry of Tourism, the decree did not give the directorates of tourism the right to prosecute violations. Therefore, they warn the restaurant and if the violation is repeated, they draw up a record of that and send it to the directorate of supply which treats it as a complaint to be investigated again with a new report to be issued. This is what makes it necessary to give the ministry the right to prosecute violations and to set up control machinery equipped with the necessary vehicles since if they are not made available, no machinery can make its patrols, particularly since it has the task of overseeing restaurants and other tourist places in areas located outside the city, oversight which involves compliance with supply and tourism instructions simultaneously.

Until this is done, there are restaurants which are still unclassified and charge their patrons prices higher than deluxe restaurants.

Finally: The goal of commodity control is to protect citizens from being exploited and to provide the commodities which everyone needs at real prices with no hikes. Again, the success of this mission is really dependent on the extent to which the citizen seeks his rights and his interest in and cooperation with the supply machinery.

8389
CSO: 4404/556

UNITED ARAB EMIRATES

HOUSING CONSTRUCTION EXPENDITURE FIGURES REPORTED

Dubayy AL-BAYAN in Arabic 21 Jul 82 p 2

[Article: "According To an Abu Dhabi Department Of Planning Report 6 Billion Dirhams Was Invested In Housing By the Government and the Private Sector In the Emirate In 5 Years"]

[Text] Abu Dhabi--The value of government and private investments in the housing sector in the Emirate of Abu Dhabi during the period from 1975 to 1980 amounted to approximately 6,422,000,000 dirhams.

According to a report by the Department of Planning on estimated expenditures on housing projects in the same period expenditures for these projects amounted to approximately 9.2 percent of the total expenditures for all investment projects, which amounted to 70,152,000,000 dirhams.

The report pointed out that the proportion of investment in housing to total investments grew during this period, reflecting the housing boom in the emirate up to 1977. The proportion of this sector was approximately 10 percent in 1975. It rose to 15 percent in 1976, and continued to climb to 18 percent in 1977. The housing boom then slowed normally. In 1978 the ratio of housing to total investments was approximately 11 percent, and fell to 5.3 percent in 1979 and 5.4 percent in 1980.

The report showed that both the government and the private sector have participated in the growth of housing investment in the emirate. The government has allocated annual sums and credits for housing projects in its development budgets. Government investments during the period from 1975 to 1980 amounted to approximately 1,675,000,000 dirhams, which is about 26 percent of the total investments in housing. Most of this was concentrated in construction of low-income housing and housing for government employees. The private sector has played a prominent role in investing in commercial and luxury buildings, investing a total of approximately 4,747,000,000 dirhams, which is about 74 percent of total investments in housing.

The distribution of the investments between the government and the private sector shows that the government's expenditures for development in the housing sector reached their peak in 1979. The total amount of money spent on government housing projects during that year was 463 million dirhams,

which represented about 51 percent of total investments in housing for the year, while these expenditures represented only 20 percent in 1975, 12 percent in 1976, 13 percent in 1977, and 27 percent in 1978.

The business sector, corporations and private individuals participated notably in investment in housing during the period from 1975 to 1980, contributing 80 percent in 1975, 89 percent in 1976, 87 percent in 1977, 72 percent in 1978 and 49 percent in 1979. The private sector's share rose in 1980, reaching 61 percent of total investment in housing for that year. These investments were financed through loans provided by foreign banks as well as the UAE Development Bank before it became a real estate bank, the Abu Dhabi Organization For Construction Loans, and the Commercial Building Board which was sponsored by his highness the heir apparent before its dissolution and the transfer of its operations to the Commercial Buildings Department. Private individuals also provided financing.

9123
CSO: 4404/584

UNITED ARAB EMIRATES

DUBAYY TO HOST ARAB HEALTH EXHIBITION

Dubayy KHALEEJ TIMES in English 9 Aug 82 p 3

[Text]

A wide range of health care equipment will be displayed at the "Arab Health 83," to be held in the Dubai International Trade Centre Exhibition Hall from February 20 to 24.

The event will offer tremendous sales opportunities to both manufacturers and suppliers of health care equipment, products and services.

Dubai, already a major commercial centre of the Middle East, is now able to offer even better facilities for such an exhibition in the new fully-airconditioned hall.

"Arab Health" is the most important occasion in the Middle East to present a high-quality display of latest developments and technology in health care and an excellent forum for all supporting industries.

Better facilities

Following the great success of the fourth Arab Health exhibition in Jed-

dah earlier this year, when more than 7,000 medical personnel gathered together, and deals worth millions of dollars were transacted the event is returning to the Gulf with greater promise. The Dubai Trade Centre is fully equipped to accommodate the overwhelming number of requests for exhibition space and provide new and better facilities to the participants.

It has already been indicated that major exhibition groups will be sponsored by many government trade and export departments. International companies will be represented by their local Middle East agents.

The exhibition has the support of the department of health and medical services and the Ministry of Health.

The organisers, Fairs and Exhibitions Limited of London, have indicated that a medical conference will be held with the assistance of the department of health to coincide with the exhibition. The conference will add to the event's importance and appeal as one of the main focal points for developments in health care in the Arab world.

CSO: 4400/428

ADCO OIL ISLANDS DESCRIBED

Dubayy KHALEEJ TIMES in English 9 Aug 82 p 2

[Text]

AN ambitious project in complex logistics, heavy loads, land and sea transport, and land reclamation has given Adco a "first" in Middle East oil field development.

"To achieve this, the company has added two new islands to Abu Dhabi's coastline and has extended an existing island to allow the drilling and completion of three new wells on three different oilfields by 1983, "the Adco newspaper 'Onshore Echo' says in a report in its latest issue.

The islands are entirely man-made and are placed on the Zubbaya and Hail fields permitting wells to be drilled offshore, using onshore equipment. The extended island is Bu Sayif on the Hundairat field.

Mammoth task

Adco's concession rights extend a few kilometres offshore but offshore drilling for an onshore company is a mammoth task. It requires special offshore rigs to be emplaced in very shallow water and would demand extensive dredging for them to be installed on location.

To move the three land rigs to their respective locations required careful coordination at every stage. Two rigs have already been moved, Saipem-9 and Saipem-10 to Hudairat. The rigs were dismantled to their major components and the work was carried out during the Ramadan month and the Eid holidays.

"Both operations were completed smoothly and without any mishap," the Onshore Echo report said.

Although essentially an onshore exploration and production company, Adco's concession agreement extends for six kilometres into the sea along Abu Dhabi's coastline.

The scattering of the islands in the Gulf, which form part of Abu Dhabi, and the string of islands and sand bars

along the coast and the waters in their immediate vicinity, fall within Adco's concession area.

But offshore drilling costs about three times the cost of drilling onshore, and in the very shallow coastal waters extensive dredging would be needed to bring an offshore rig on site.

At the Zubbaya and Hail fields, two islands have been created and at Hundairat, an existing island—Bu Sayif—has been extended. The Zubbaya island was completed early this year and the Hail has only just been finished. The Bu Sayif extension was ready some time ago.

Both Hail and Zubbaya islands are identical in design, each incorporating drilling and accommodation areas. Between the areas a 40-metre access road, and a work harbour measuring 20 metres by 80 metres, were built.

Filter fabric

The overall area of each island is about 50,000 square metres and both stand a little over four metres above low water. The islands have an unusual protection against wave attack and scouring. Over the slopes and sand beams, heavy duty synthetic filter fabric is placed. This comes in five-metre width and is sewn together with hand-operated sewing machines into various lengths, depending on the particular area to be covered.

At the top of the slopes, the filter is embedded in the sand, and at the beam, and it is anchored by means of concrets blocks. The slope protection work then continues with the emplacement of sandbags.

Together, the islands used 3,000 concrete blocks, 16,000 slope bags, 11,000 bottom bags and 66,000 squares metres of filter fabric. Other work included installing navigational aids, buoys with radar reflectors, and landfall buoys marking the entrance to the access channels, Onshore Echo report said.

UNITED ARAB EMIRATES

BRIEFS

UMM AL-QAYWAYN FISHERY--Sa'id al-Raqbani, the minister of agriculture and fisheries, signed an agreement yesterday to complete the second stage of construction of the fish hatchery project in Umm al-Qaywayn, at a cost of 23.5 million dirhams. It will be completed in 12 months, assuming implementation begins with the next 2 weeks. The purpose of this project is to carry out research connected with raising fish as a source of protein to help provide food security in the UAE. Another purpose is to train and guide fishermen in the methods of raising marine life so that they can become self-reliant in the cultivation of fish "crops" and in maintaining this resource. The project includes improving education in the marine sciences and marine biology by allowing students to benefit from the facilities available at this center and to become acquainted with current research in the field. Specimens of all kinds of marine and plant life found in the UAE's waters will be included, and will be kept in special aquariums to be built in the center. It is reported that the Ministry of Agriculture and Fisheries cooperated with Japan's Agency For International Cooperation in preparing the comprehensive studies for this project, which took 1 year. This was considered the first phase of the project which consists of three phases. Following implementation of the second phase, agreement on which was signed yesterday, will come the broad research phase concerned with raising varieties of fish such as al-safi, al-biyah, al-zubaydi and shrimp. This phase will come immediately after completion of the second phase. The broad research phase will last 3 years. The goal of this phase will be to determine the most appropriate specific methods for the various scientific and economic projects through which this project can provide economic benefit. [Text] [Al-Shariqah AL-KHALIJ in Arabic 15 Jul 82 p 2] 8123

IMPORTED VEHICLES--Central Bank statistics show that transport machinery and equipment comprise about 33 percent of the value of the UAE's imports. These statistics showed that the country imported 2,545,569,000 dirhams worth of transport machinery and equipment during the third quarter of last year, which constituted 33.7 percent of the country's total imports during that period, which amounted to 7,561,570,000 dirhams. The nation's imports of transport machinery and equipment constituted 34.6 percent of total imports during the third quarter of 1980, amounting to 2,498,873,000 dirhams. [Text] [Dubayy AL-BAYAN in Arabic 27 Jul 82 p 2] 9123

ROAD PROJECTS--During the period from 1972 to the end of 1981 the Ministry of Public Works and Housing built 695 km of external and internal roads in all

parts of the country, at a cost of about 848 million dirhams. According to a new report published by the Ministry of Public Works and Housing the ministry built 574 km of new external roads linking the seven emirates together, at a cost of 746.7 million dirhams. The length of internal roads was 121 km, at a cost of 101.3 million dirhams. Work is currently underway on implementation of the second phase of the Khurfakan-al-Fumayrah Road Project which is 23 km long and will cost about 83 million dirhams, as well as the second phase of the internal road project in Ra's al-Khaymah which is 30 km long and will cost about 29.7 million dirhams. Preparations are also underway to implement new projects to build internal roads in some of the northern emirates, with a total length of 249 km and a preliminary cost estimate of 270 million dirhams. [Text] [Dubayy AL-BAYAN in Arabic 26 Jul 82 p 2] 9123

COMMON GULF CURRENCY--The Central Bank has prepared a report which specifies the main factors that must be present if there is any intention to issue a common Gulf currency. The bank indicated that the currency would take one of two forms: either a unified accounting system or an instrument for circulation. The latter would certainly be the more comprehensive accomplishment, but would demand more thorough preparation and mutual understanding. The report stated that if currency is issued for circulation certain basic conditions must be met, among them the meticulous completion of the technical and other preparatory work. With regard to that a technical working group must be formed and a timetable developed for the various phases of the project's implementation. The time span for final implementation must also be determined. Issuance of this currency requires a single paper currency in all the participating countries. The authority issuing the currency, as well as any other distinctive features, may be printed on the paper currency in circulation in each of these countries. In addition, an authority for coordination will be created, and it would be best to establish a central monetary authority. The report noted that among the factors that must be present to issue the currency is the establishment of compulsory uniform requirements for backing the currency, either with gold or any specific foreign currency assets, or a combination of both. The common currency or currencies in the participating countries will be linked with one of the [foreign] currencies such as the United States dollar or a uniform measurement such as special drawing rights or a basket of the currencies of the Gulf countries' principal trading partners. In addition, the participating countries will not be allowed to pursue [independent] policies relating to foreign spending. According to the report the difficulties standing in the way of the Gulf currency project should not be underestimated because the project's ultimate goal is to bring about an economic and financial merger or unification among the Gulf countries. It stated that there are significant positive factors in this region, and that the benefits which these countries will reap from economic and financial federation calls for moving in this direction, and any effort made must be placed within a specific time framework. [Text] [Al-Shariqah AL-KHALIJ in Arabic 14 Jul 82 p 2] 9123

OIL, NATURAL GAS RESERVES UP--Oil reserves in the UAE rose about 6.7 billion barrels during the period from 1973 to the end of 1981, to 33.2 billion barrels. Gas reserves also rose at an even greater rate, more than 200

billion cubic meters during the same period, to 658.4 billion cubic meters. Recent OAPEC statistics show that oil reserves in the UAE rose from 25.5 billion barrels in 1973 to 31.7 billion in 1975, fell to 31.3 billion in 1978 and 29.4 billion in 1979, then rose again to 30.4 billion in 1980 and 32.2 billion in 1981. This means that UAE oil reserves rose by 1.8 billion barrels in 1981 alone. OAPEC has determined that the life of the confirmed oil reserves in the UAE is 58.4 years if production remains at current levels. With regard to gas reserves the statistics show that they rose from 424.8 billion cubic meters in 1973 to 637.2 billion in 1975. They fell to 611.7 billion in 1978 and 580.6 billion in 1979, then rose slightly to 588.4 billion in 1980. They then rose about 70 billion cubic meters in 1981 alone to 658.4 billion cubic meters. It should be noted that production of the various kinds of natural gas in the UAE more than doubled during the first quarter of this year compared with the first quarter of last year. Production during the first three months of this year amounted to 1,326,530 metric tons, compared with 673,881 metric tons in the first quarter of 1981. Liquid natural gas forms the major part of this production. In the first quarter of this year it amounted to 632,219 metric tons while propane production amounted to 292,921 tons, butane amounted to 224,764 tons and pentane amounted to 171,636 tons. [Text] [Dubayy AL-BAYAN in Arabic 21 Jul 82 p 2] 9123

NORTHERN EMIRATES ELECTRICITY OUTPUT--ELECTRICITY generated by the stations owned by the Ministry of Electricity and Water in the Northern Emirates increased by 97 per cent during the first half of this year over the output during the same period last year. A report prepared by the census department of the ministry on the capacity and production of the ministry's power stations said the power generated during this period reached 295 million kilowat-hour (KWH) compared to 149 million KWH during the same period last year. The power consumed was 285 million KWH compared to 144 million KWH last year. The report attributed the increase to the operation of two new power stations in addition to the new units installed to support the present stations. [Text] [Dubayy KHALEEJ TIMES in English 8 Aug 82 p 3]

CSO: 4400/428

END